

REGIONS BANK

(REAL ESTATE LEASE AGREEMENT)

22070 Highway 59
Robertsdale Alabama 36567

INCLUDED FOR REFERENCE PURPOSES ONLY:

August 15, 2006 Baldwin County Commission Meeting:

Agenda Item L7

Excerpt from the August 15, 2006 BCC Meeting Minutes

September 19, 2006 Baldwin County Commission Meeting:

Agenda Item L2

Excerpt from the September 19, 2006 BCC Meeting Minutes

PROPERTY: 4316 - Robertsdale

LEASE AGREEMENT

BETWEEN

**FIRST STATES INVESTORS 4200, LLC,
A DELAWARE LIMITED LIABILITY COMPANY ("LANDLORD")**

AND

**REGIONS BANK,
AN ALABAMA BANKING CORPORATION ("TENANT")**

Dated: June 15, 2005

Property Address:

22070 Hghwy 59
Robertsdale , AL

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LEASE AGREEMENT

This Lease Agreement (this "Lease") is made and entered into on this June 15, 2005, between **First States Investors 4200, LLC**, a Delaware limited liability company (the "Landlord"), whose address for purposes hereof is 680 Old York Road, Jenkintown, PA 19046, and **Regions Bank**, an Alabama state banking corporation (the "Tenant"), whose address for purposes hereof is 7130 Goodlett Farms Parkway, ALE, Cordova, TN 38016.

WITNESSETH:

1. LEASED PREMISES.

- 1.1 Leased Premises.** Subject to and upon the terms, provisions and conditions hereinafter set forth, and each in consideration of the duties, covenants and obligations of the other hereunder, Landlord does hereby lease, demise and let to Tenant and Tenant does hereby lease from Landlord 7,152 rentable square feet (the "Leased Premises") in the building located at 22070 Hwy 59, Robertsdale, AL (the "Building"), being more particularly described on the floor plan of the Leased Premises attached hereto and made a part hereof as Exhibit A. The Building is located on the real property (the "Property") described in Exhibit A-1 attached hereto and made a part hereof. The term "Leased Premises" shall also be deemed to include all of Tenant's drive-in teller sites and automated teller machine ("ATM") sites, if any, located on the Property and depicted on Exhibit A hereto. Tenant is also granted the non-exclusive right to use, with other tenants in the Building, the common areas of the Building, specifically including restrooms, break rooms, lobbies and other common areas, without additional charge.
- 1.2 Tenant's Pro-Rata Share.** The rentable square footage of the Building is stipulated to be 38,020 rentable square feet. Tenant's pro-rata share of the Building is stipulated to be 19% ("Tenant's Pro-rata Share").
- 1.3 Landlord Relocation Right.** Landlord may from time to time require Tenant to relocate all or a portion of the Demised Premises to comparable space in the Building; provided that (a) Landlord shall pay for all costs of relocating Tenant to such other space and of making the relocated space ready for Tenant's use and occupancy, (b) Landlord shall give Tenant at least three (3) months' prior notice of Landlord's desire to relocate Tenant, (c) Landlord shall not have the right to relocate Tenant's retail banking space or any space contiguous to retail banking space and (d) Landlord shall not have the right to relocate Tenant out of any space located on the first floor of the Building. In the event of any such relocation, Landlord and Tenant shall execute a supplement to this Lease identifying the relocated space and confirming that the terms and conditions of this Lease apply, without modification, to the relocated space. Any disputes between Landlord and Tenant arising under this Section 1.3 may be resolved in accordance with the provisions of Section 37 of this Lease.

2. LEASE TERM.

2.1 Initial Term. Subject to and upon the terms and conditions set forth herein, or in any exhibit or addendum hereto, this Lease shall have an initial term of approximately fifteen (15) years, commencing June 15, 2005 (the "Commencement Date") and ending on June 30, 2020 (the "Initial Term"). As used hereinafter, "Lease Term" shall mean the Initial Term together with any and all Renewal Terms (as defined below), as exercised by Tenant.

2.2 Renewal Terms. Tenant is hereby granted the option to renew this Lease for one (1) additional term of ten (10) years and two (2) additional terms of five (5) years each (together, the "Renewal Terms") on the following basis:

2.2.1 First Renewal Term. Provided this Lease is in full force and effect and Tenant is not then in default that is continuing after any applicable cure period, Tenant shall have the right to extend the term of this Lease at the end of the Initial Term, for a first renewal term of ten (10) years (the "First Renewal Term"), for all or any portion of the Leased Premises, provided as follows: (a) Tenant shall notify Landlord in writing not less than nine (9) months prior to the expiration of the Initial Term that Tenant desires such extension; (b) such extension shall be upon the same terms, provisions, covenants, and conditions as are contained in this Lease, except that the rental rate shall be determined in accordance with the provisions set forth in Section 2.2.5 below; and (c) if Tenant elects to renew for only a portion of the Leased Premises, the portion of the Leased Premises that is not renewed by Tenant must have a size and configuration, as reasonably agreed by Landlord and Tenant, that makes it readily leaseable to third party tenants. If Tenant does not renew this Lease for this First Renewal Term, then Tenant shall have no further renewal rights with respect to later renewal rights contained herein.

2.2.2 Second Renewal Term. If (i) Tenant shall have exercised its option for a First Renewal Term pursuant to the provisions of Section 2.2.1 of this Lease, and (ii) if this Lease is in full force and effect, and Tenant is not then in default which is continuing beyond any applicable cure period, Tenant shall have the right to extend the term of this Lease for a second renewal term of five (5) years (the "Second Renewal Term"), commencing on the day following the expiration of the First Renewal Term for all or part of the Leased Premises, provided as follows: (a) Tenant shall notify Landlord in writing not less than nine (9) months prior to the expiration of the First Renewal Term that Tenant desires such extension; (b) such extension shall be upon the same terms, provisions, covenants, and conditions as are contained in this Lease, except that the rental rate shall be determined in accordance with the provisions set forth in Section 2.2.5 below; and (c) if Tenant elects to renew for only a portion of the Leased Premises, the portion of the Leased Premises that is not renewed by Tenant must have a size and configuration, as reasonably agreed by

Landlord and Tenant, that makes it readily leaseable to third party tenants. If Tenant does not renew this Lease for this Second Renewal Term, then Tenant shall have no further renewal rights with respect to later renewal rights contained herein.

2.2.3 Third Renewal Term. If (i) Tenant shall have exercised its option for a Second Renewal Term pursuant to the provisions of Section 2.2.2 of this Lease, and (ii) if this Lease is in full force and effect, and Tenant is not then in default which is continuing beyond any applicable cure period, Tenant shall have the right to extend the term of this Lease for a third renewal term of five (5) years (the "Third Renewal Term"), commencing on the day following the expiration of the Second Renewal Term for all or part of the Leased Premises, provided as follows: (a) Tenant shall notify Landlord in writing not less than nine (9) months prior to the expiration of the Second Renewal Term that Tenant desires such extension; (b) such extension shall be upon the same terms, provisions, covenants, and conditions as are contained in this Lease, except that the rental rate shall be determined in accordance with the provisions set forth in Section 2.2.5 below; and (c) if Tenant elects to renew for only a portion of the Leased Premises, the portion of the Leased Premises that is not renewed by Tenant must have a size and configuration, as reasonably agreed by Landlord and Tenant, that makes it readily leaseable to third party tenants.

2.2.4 Intentionally Omitted.

2.2.5 Rental for Renewal Terms; Determination. The Rental (as defined below) during the First, Second and Third Renewal Term shall be an amount equal to ninety-five percent (95%) of the FMRV (as defined below) of the Leased Premises as determined by mutual agreement between Landlord and Tenant or as determined by the appraisal procedure set forth in Section 2.2.7 below. In the event Tenant exercises its options contained in Section 2.2.1, 2.2.2 and 2.2.3 of this Lease, Landlord shall, within thirty (30) days after receipt of Tenant's renewal notice, send to Tenant Landlord's written evaluation for the FMRV of the Leased Premises ("Landlord's Rent") for the period covered by the exercise of said option. Within ten (10) business days thereafter, Tenant shall send to Landlord a notice stating either (i) Tenant's agreement with Landlord's Rent, in which event said amount shall be the Rental payable by Tenant for the Renewal Term in issue or (ii) Tenant's evaluation of the FMRV of the Leased Premises ("Tenant's Rent"). If Tenant fails to deliver either such notice, Tenant shall be deemed to have rejected Landlord's Rent as the FMRV of the Leased Premises for the applicable Renewal Term. If Landlord and Tenant are unable to agree upon the FMRV of the Leased Premises within twenty (20) days following Landlord's receipt of the Tenant's Rent notice, at any time thereafter, either Landlord or Tenant can cause the matter to be determined pursuant to Section 2.2.7 below. As used herein, "FMRV" shall mean, for any leaseable area, the base annual

rental and additional rent per annum that (at the time in question) would be offered and accepted under an arm's-length lease between an informed and willing tenant and an informed and willing landlord, neither of whom is under any compulsion to enter into such transaction, with respect to the leaseable area in question as determined by reference to comparable space in the Building, and in comparable buildings in the City in which the Building is located, and on similar terms and conditions as those offered to Tenant.

2.2.6 Adjustments to Rental. If, for any reason, the First, Second or Third Renewal Term shall commence prior to the determination of the Rental for such Renewal Term, Tenant, in the meantime, shall pay the monthly installments of Rental in effect under this Lease on the last day of the term being renewed (the "Prior Rent"). If the Rental for such Renewal Term thereafter shall be determined to be greater than the Prior Rent, Tenant, immediately following such determination, shall pay to Landlord the difference between the Prior Rent actually paid and that which should have been paid on the basis of such determination.

2.2.7 Determination of FMRV by Appraisal. Disputes between Landlord and Tenant with respect to the FMRV of the Leased Premises during a Renewal Term shall be determined by appraisal as provided in this Section 2.2.7. No other provision or issue arising under this Lease or any addendum hereto shall be subject to or determined by the provisions of this Section 2.2.7. If Landlord and Tenant are unable to reach agreement as to the FMRV for Leased Premises for any Renewal Term as provided in Section 2.2.5, either Landlord or Tenant, by notice thereof to the other party (herein called a "Renewal Appraisal Notice"), may cause such FMRV to be submitted for resolution as follows:

- (a) Within thirty (30) days after delivery of the Renewal Appraisal Notice, Landlord and Tenant shall each select and engage an independent licensed real estate broker, or independent licensed appraiser, having at least ten (10) years' experience in brokering commercial leasing transactions, or appraising commercial income properties, as the case may be, involving buildings similar to the Building (any such person, an "Appraiser") to determine such FMRV. If either party fails to select and engage an Appraiser within such time, and if such failure continues for more than five (5) business days following such party's receipt of notice that states in all capital letters (or other prominent display) that such party has failed to select an Appraiser as required under this Lease and will be deemed to have waived its right to select an Appraiser to act on its behalf unless Tenant identifies such an Appraiser within five (5) business days, then the Appraiser engaged by the other party shall select the second Appraiser.
- (b) Within thirty (30) days following the date on which the second Appraiser is selected, (i) each Appraiser shall prepare a sealed determination of the

FMRV for the Leased Premises, (ii) the Appraisers, together with Landlord and Tenant, shall arrange a meeting at the Building (or at such other place and time as is reasonably acceptable to both Appraisers, Landlord and Tenant) for the purpose of distributing such sealed determinations, and (iii) at such meeting, the Appraisers shall each simultaneously present their determinations of such FMRV, to the other Appraiser and to Landlord and Tenant. If the higher of the two determinations of such FMRV does not exceed one hundred five percent (105%) of the lower of the two determinations of such FMRV, then the average of the two (2) determinations shall be such FMRV (and the same shall constitute the final determination thereof). If the higher of the two determinations of such FMRV exceeds 105% of the lower of the two determinations of such FMRV, then within five (5) business day after receipt by Landlord and Tenant of both appraisal reports, the Appraisers selected by Landlord and Tenant shall agree on a third Appraiser (the "Third Appraiser") to make a determination of such FMRV. The Third Appraiser shall not make an independent determination, but shall, within ten (10) business days after his or her designation, select one (1) of the two (2) determinations already made, whichever of the two determinations the Third Appraiser determines to be closest to such FMRV, as the controlling determination with respect to such FMRV. The decision of the Third Appraiser shall be conclusive and binding; and such FMRV shall be as set forth in such controlling determination (which shall constitute the final determination thereof). Each party shall pay the costs of its Appraiser and one-half (1/2) of the cost of the Third Appraiser.

- (c) The instructions to the Appraisers with respect to the determination of such FMRV will be to determine the same solely in accordance with the definition "FMRV" as set forth in this Lease. The Appraisers shall have no authority to alter any provisions of such definition, or any other provisions of this Lease.
- (d) Within thirty (30) days following the final determination of such FMRV, Tenant shall elect one (1) of the following options by notice to Landlord: (A) to revoke the exercise of the pertinent Renewal Term, in which event, the Term shall automatically, and without further action of Landlord or Tenant, expire on the later of (1) the expiration of the Initial Term (or, if applicable, the expiration of the Renewal Term with respect to the immediately preceding Renewal Term) or (2) the last day of the calendar month that is six (6) months following the month in which Tenant's notice of revocation was given to Landlord; or (B) to ratify its exercise of the pertinent Renewal Term. If Tenant fails to exercise either of the foregoing options within such thirty (30) day period, then Tenant shall be deemed to have elected option (B). If Tenant elects (or is deemed to have elected) option (B), then Tenant thereby shall have irrevocably exercised the pertinent Renewal Term and Tenant may not thereafter withdraw the exercise of the Renewal Term.

2.2.8 Dispute Resolution. If Tenant elects to renew for only a portion of the Leased Premises during any Renewal Term and, within thirty (30) days following Landlord's receipt of Tenant's notice of renewal, Landlord and Tenant can not agree whether the portion of the Leased Premises that is not renewed by Tenant has a size and configuration that makes it readily leaseable to third party tenants, at any time thereafter, either Landlord or Tenant can cause such dispute to be resolved in accordance with the provisions of Section 37 of this Lease.

3. USE.

3.1 Permitted Use. The Leased Premises may be used and occupied by Tenant for general office purposes, or for the conduct of the banking and financial services business, or for any other legal purpose. Notwithstanding the foregoing, throughout the Lease Term neither Landlord nor Tenant shall use or permit the Building (or any part thereof) to be used for any of the following (even if lawfully permitted): (a) any use that emits an obnoxious odor, noise or sound that can be heard or smelled outside of the premises, (b) any use in violation of zoning regulations or any other governmental restrictions applicable to the Property, (c) any operation primarily used as a warehouse or storage facility for third-party goods, assembling or manufacturing, distilling, refining, rendering, processing, smelting, agricultural or mining operations, (d) any central laundry, dry cleaning plant or laundromat, (e) any automobile, truck, trailer or recreational vehicle sales, leasing, display, repair or body shop, (f) any living quarters, sleeping apartments, hotel or lodging rooms, (g) veterinary hospitals, animal raising or breeding facilities, animal boarding facilities or pet shops, (h) mortuaries or funeral homes, (i) any establishment that sells, rents or exhibits pornographic materials, (j) massage parlors or any form of sexually oriented business (including novelty merchandise sales), (k) bars, taverns or brew pubs (excluding restaurants and other establishments primarily engaged in food service activities), (l) flea markets, amusement or video arcades, computer game rooms, pool or billiard halls, bingo halls, dance halls, discos or night clubs, (m) sales of paraphernalia for use with illicit drugs, (n) carnivals, amusement parks or circuses, (o) pawn shops, auction houses, second hand stores, consignment shops, army/navy surplus stores or gun shops, (p) gambling facilities or sports betting parlor, (q) churches, synagogues or other places of worship, (r) assembly halls or meeting facilities, (s) tattoo parlors, fortune telling or spiritual readings, (t) facilities that collect donated goods and products, (u) bowling alleys, skating rinks, archery or gun ranges or (v) postal facilities, tax collectors, tag agencies, jails or detention centers, courthouses or any other form of agency dealing with civil authority.

3.2 Violation of Insurance Coverage. Tenant agrees not to permit anything to be done that would in any way increase the rate of fire insurance coverage on the Building and/or its contents.

3.3 Nuisance. Tenant agrees to conduct its business and to exercise reasonable efforts to control its agents, employees, invitees and visitors in such manner as not

to create any nuisance, or interfere with, annoy or disturb any other tenant or Landlord in the operation of the Building.

3.4 Competitors. So long as Tenant conducts a Retail Banking Use (as defined below) at the Building, Landlord agrees that it will not lease space in the Building, or permit any space in the Building to be used for, Retail Banking Use by any persons or entities other than Tenant, tenants with Retail Banking use in the Building under leases permitting such use on the Commencement Date and tenants that commence such use at a time when Tenant does not conduct a Retail Banking Use in the Building. For the purposes hereof, "Retail Banking Use" means the on-site acceptance of deposits, cashing of checks, issuance of bank checks and money orders and/or the performance of other customary retail banking services for customers, including private banking customers, provided that the maintenance and operation of ATMs or other automated banking services alone shall not constitute a Retail Banking Use.

4. RENTAL.

4.1 Base Rental. Tenant hereby agrees to pay a base annual rental (herein called the "Base Rental") as set forth in Table 4.1 below.

Lease Years	Annual Base Rental	Monthly Base Rental	Base Rental/RSF
1 – 5	\$105,287	\$8,773.88	\$14.72
6	\$41,431	\$3,452.62	\$5.79
7	\$42,467	\$3,538.94	\$5.94
8	\$43,529	\$3,627.41	\$6.09
9	\$44,617	\$3,718.10	\$6.24
10	\$45,733	\$3,811.05	\$6.39
11	\$46,876	\$3,906.33	\$6.55
12	\$48,048	\$4,003.98	\$6.72
13	\$49,249	\$4,104.08	\$6.89
14	\$50,480	\$4,206.68	\$7.06
15	\$51,742	\$4,311.85	\$7.23
Renewal Term	FMRV	FMRV	FMRV

Tenant shall also pay, as additional rent, all such other sums of money as shall become due and payable by Tenant to Landlord under this Lease Agreement. The Base Rental and the Basic Operating Cost Adjustment (as defined below) and, except as otherwise hereinafter provided, any other additional rent provided for herein and then in effect, shall be due and payable in twelve (12) equal installments on the first day of each calendar month during the initial Lease Term and any extensions or renewals thereof, and Tenant hereby agrees to pay such rent to Landlord monthly in advance without demand, deduction, counterclaim or set off (other than as expressly provided in Sections 5.4 and 19.4 hereof) at such address as may be designated by Landlord from time to time. The "Base Rental," the "Basic Operating Cost Adjustment" and any other additional rental shall be collectively referred to as "Rental." If the Lease Term as heretofore established commences on other than the first day of a month or terminates on other

than the last day of a month, then the Rental provided for herein for such month or months shall be prorated and the installment or installments so prorated shall be paid in advance. If any Rental installment is not paid when due, Tenant shall pay a late charge equal to four percent (4%) of the past due installment. If any Rental installment remains unpaid for more than thirty (30) days following the date due, Tenant shall pay interest on the overdue amount from and after such 30th day until the date paid at an annual rate equal to the prevailing prime rate (as reported from time to time in the *Wall Street Journal* (or a successor publication)) plus two percent (2.00%) (such rate, the "Default Rate"). As used herein, "Lease Year" shall mean a period of one (1) year; provided that the first Lease Year shall commence on the Commencement Date and shall end on June 30, 2006; the second Lease Year commences upon the expiration of first Lease Year and ends one (1) year later, and all subsequent Lease Years commence upon the expiration of the prior Lease Year, except that the final Lease Year ends on the last day of the Lease Term.

4.2 Basic Operating Cost.

4.2.1 Subject to the exclusions set forth in Section 4.3, "Basic Operating Cost," as that term is used herein, shall consist of all costs and expenses of every kind and nature that Landlord shall pay or become obligated to pay because of or in connection with the ownership, management, maintenance, repair and operation of the Property as more fully hereinafter described. Basic Operating Cost shall be computed by Landlord on an accrual basis in accordance with generally accepted accounting principles ("GAAP"), consistently applied. The term "Basic Operating Cost" shall include, but not be limited to, the following:

- (a) Wages and salaries of all employees engaged in the daily operation, maintenance and management of the Building and the Property, employer's social security taxes, unemployment taxes or insurance, and any other taxes that may be levied on such wages and salaries, the cost of disability and hospitalization insurance, pension or retirement benefits for such employees;
- (b) All supplies, tools, equipment and materials used in the operation and maintenance of the Building and the Property;
- (c) Cost of all utilities, including water, sewer, steam, electricity, gas and fuel oil used by the Building and the Property and not charged directly to another tenant, and other utilities that may be available from time to time;
- (d) Cost of customary Building management, janitorial services, clerical, accounting and legal services (other than services attributable solely to a particular tenant), trash and garbage removal, servicing and maintenance of all systems and equipment including, but not limited to, elevators, plumbing, heating, air conditioning, ventilating, lighting, electrical, security and fire alarms, fire pumps, fire extinguishers and hose cabinets, mail chutes, guard service, painting, window cleaning, landscaping and gardening;

- (e) Cost of all insurance, including but not limited to fire, casualty, liability, terrorism (if available and required by any mortgagee of Landlord) and rental abatement insurance applicable to the Building and the Property and Landlord's personal property used in connection therewith;
 - (f) Cost of repairs, replacements and general maintenance (excluding repairs and general maintenance paid by proceeds of insurance of by Tenant or other third parties and not reimbursed by Landlord, and alterations attributable solely to tenants of the Building and the Property other than Tenant), whether such repair, replacement or maintenance is structural or non-structural, ordinary or extraordinary, foreseen or unforeseen;
 - (g) Any and all common area maintenance costs related to public areas of the Building and the Property including sidewalks, parking areas, skyways, landscaping and service areas;
 - (h) All "Taxes," which shall mean all impositions, taxes, assessments (special or otherwise), water and sewer charges and rents, and other governmental liens or charges of any and every kind, nature and sort whatsoever (except only those taxes of the following categories: any inheritance, estate, succession, transfer or gift taxes imposed upon Landlord, or any net income taxes specifically payable by Landlord or its joint venturers without regard to Landlord's income source as arising out of or from the Building and/or the land on which it is located) attributable in any manner to the Building, the land on which the Building is located, or the rents (however the term may be defined) receivable therefrom or any part thereof, or any use thereof, or any facility located therein or thereon or used in conjunction therewith or any charge or other payment required to be paid to any governmental authority, whether or not any of the foregoing shall be designated "real estate tax quote, "sales tax", "rental tax", "excise tax", "business tax" or designated in any other manner;
 - (i) costs of effecting compliance with applicable laws and codes and the cost of removal, relocation, elimination or encapsulation of hazardous materials in or about the common areas of the Building and the Property; and
 - (j) the cost of rental under any ground or underlying lease or leases existing on the Commencement Date for all or any portion of any Property and (b) under any ground or other underlying lease or leases hereafter entered into by Landlord for parking areas and other common area facilities that are made available for Tenant's use and are, in fact, used by Tenant.
- 4.2.2** To the extent that any Basic Operating Cost constitutes a cost or expense that must be capitalized under GAAP, such capital expenditures must be amortized by Landlord over the useful life of the asset in accordance with GAAP (without regard to any accelerated cost recovery methods permitted

under GAAP), with interest at Landlord's then prevailing borrowing rate, all to the extent that such capital expenditure was necessary to operate, repair and maintain the Building or the Property in conformity with the requirements of this Lease and in accordance with the accepted principles of sound management practices (and in conformance with GAAP) as applied to the operation, repair and maintenance of properties that are comparable in character, age, use and quality to the Building and the Property, but excluding (i) costs to expand the net rentable area of any Building or Property, (ii) except as otherwise expressly required by this Lease, costs to upgrade or improve the general character or quality of any Building or Property and (iii) any other costs not properly included in the Basic Operating Costs paid by Tenant under this Lease.

4.2.3 If (i) any particular item of cost incurred by or on behalf of Landlord is attributable, in part, to the ownership, management, maintenance, repair and operation of the Property, and, in part, to the ownership, management, maintenance, repair and operation of one or more other properties owned or operated by Landlord or any affiliates of Landlord, and (ii) such item of cost is otherwise includable in "Basic Operating Cost," then such item of cost shall be reasonably allocated by Landlord between the Property and such other property or properties (i) using an allocation method based on the comparative measure(s) that best reflect the appropriate portion of such item(s) of cost that should be included within "Basic Operating Cost" under this Lease (*e.g.*, time, rentable square footage and/or other measure as appropriate), and that is consistently applied from calendar year to calendar year, and (ii) otherwise in a manner that does not result in a profit to Landlord, result in a disproportionate burden to Tenant, or result in a disproportionate benefit to any other person(s) or property(ies).

4.2.4 If, during any calendar year, the Property is less than one-hundred percent (100%) occupied, then appropriate adjustments shall be made (on a consistent basis from calendar year to calendar year) to those components of Basic Operating Cost which vary with Building occupancy, so as to calculate Basic Operating Cost as though the Building had been one-hundred percent (100%) occupied during such calendar year. The percentage of Building occupancy during any calendar year shall be determined by adding together the total leased space on the first day of each month during such year and dividing by twelve (12). The foregoing notwithstanding, for any calendar year Landlord shall not recover from Tenant and the other tenants and occupants of the Property, collectively, an amount in excess of one hundred percent (100%) of the total Basic Operating Cost with respect to the Property.

4.3 Exclusions. Any provision of Section 4.2 to the contrary notwithstanding, the following costs are expressly excluded from Basic Operating Costs and shall be the sole financial responsibility of the Landlord:

- (a) Cost incurred in the original construction of the Building or in the construction of any major change in the Building, such as adding or deleting floors;
- (b) Legal fees, space planners' fees, real estate brokers' leasing commissions and advertising expenses incurred in connection with the original development or original leasing of the Building or the future leasing of the Building;
- (c) Costs for which Landlord is reimbursed by any tenant or occupant of the Building or by insurance by its carrier or any tenant's carrier or by anyone else;
- (d) Any bad debt loss, rent loss or reserves for bad debts or rent loss;
- (e) Expenses of extraordinary services provided to other tenants in the Building which are made available to Tenant at cost or for which Tenant is separately charged;
- (f) Costs associated with the operation of the business of the partnership which constitutes Landlord, as the same are distinguished from the costs of operation of the Building and the Property, including partnership accounting and legal matters, costs of defending any lawsuits with any mortgagee (except as the actions of Tenant may be the issue), costs of selling, syndicating, financing, mortgaging or hypothecating any of Landlord's interest in the Building, costs (including attorney fees and costs of settlement judgments and payments in lieu thereof) arising from claims, disputes or potential disputes in connection with potential or actual claims; litigation or arbitrations respecting Landlord and/or the Building and/or the Land;
- (g) The wages and benefits of any on-site employees above the level of property manager;
- (h) The wages and benefits of any employee who does not devote substantially all of his or her time to the Building unless such wages and benefits are allocated to reflect the actual time spent on operating and managing the Building vis-a-vis time spent on matters unrelated to operating and managing the Building;
- (i) Amounts paid as ground rental by Landlord, except as provided in Section 4.2.1(j) above;
- (j) Cost, including permit, license and inspection costs, incurred with respect to the installation of tenant improvements made for new tenants in the Building or incurred in renovating or otherwise improving, decorating, painting or redecorating vacant space for tenants or other occupants of the Building;

- (k) Any compensation paid to clerks, attendants or other persons in commercial concessions operated by Landlord or in any parking area or garage;
- (l) Landlord's general corporate overhead and general and administrative expenses;
- (m) Costs incurred by Landlord due to the violation by Landlord or any tenant of the terms and conditions of any lease of space in the Building;
- (n) Costs related to Landlord's gross negligence or willful misconduct;
- (o) The management fee shall not exceed five percent (5%) of the aggregate of Base Rental and all additional rent collected for the Building; and
- (p) Costs or expense that must be capitalized under GAAP to the extent related to (i) costs to expand the net rentable area of the Building or Property, (ii) except as otherwise expressly required by this Lease, costs to upgrade or improve the general character or quality of the Building or Property and (iii) any other costs not properly included in the Basic Operating Costs paid by Tenant under this Lease.

4.4 Basic Operating Cost Adjustment.

4.4.1 The Estimated Basic Operating Cost for any particular calendar year shall be the Basic Operating Cost for such calendar year as estimated by Landlord prior to commencement of such calendar year (the "Estimated Basic Operating Cost"). Tenant shall pay in monthly installments during such calendar year as additional rental one twelfth of an amount equal to Tenant's Pro-rata Share of the Basic Operating Cost (such amount being referred to herein as the "Basic Operating Cost Adjustment"). At the end of each calendar year, the actual Basic Operating Cost shall be determined by the Landlord. In the event the actual Basic Operating Cost apportioned to the Leased Premises for such year exceeds the Estimated Basic Operating Cost apportioned to the Leased Premises based upon Tenant's Pro-rata Share, then the Basic Operating Cost Adjustment shall be increased by the amount of such excess. In the event the actual Basic Operating Cost apportioned to the Leased Premises is less than the Estimated Basic Operating Cost apportioned to the Leased Premises, then the Basic Operating Cost Adjustment shall be decreased by that amount.

4.4.2 Landlord shall, within a reasonable period of time after the end of any calendar year, give notice to Tenant, which notice shall contain or be accompanied by a statement of the actual Basic Operating Cost of Landlord's operation of the Building during such calendar year (such statement, the "Annual Reconciliation Statement"), which statement shall be accompanied by a computation of any such increase or decrease in the Basic Operating Cost Adjustment. Tenant shall make payment of such

increase as additional rent to Landlord, or Landlord will rebate or credit to Tenant the amount of such decrease, within thirty (30) days following Tenant's receipt of the Annual Reconciliation Statement. Landlord's failure to so notify Tenant within one hundred twenty (120) days after the closing of any calendar year for which additional rent is due under the provisions of this Section shall not release Tenant from paying nor diminish Tenant's obligation to pay such additional rent, provided that Landlord may not invoice Tenant for previously unbilled Basic Operating Cost Adjustment more than twelve (12) months following the end of the calendar year for which the Basic Operating Cost Adjustment relates.

- 4.4.3** The actual Basic Operating Cost and the Estimated Basic Operating Cost shall be apportioned to the Leased Premises on a per rentable square foot basis based upon the rentable square footage of the Building and of the Leased Premises. Should this Lease Agreement commence or terminate at any time other than the first day of a calendar year, the Basic Operating Cost Adjustment referred to hereinabove shall be prorated, such that Tenant shall only pay the Basic Operating Cost Adjustment for the calendar days during such calendar year for which Tenant is obligated to pay rent with respect to the Leased Premises.
- 4.4.4** On or before September 30 of each year during the Lease Term of this Lease, Landlord shall deliver to Tenant for Tenant's review and comment a written estimate in reasonable detail of the projected budget for Basic Operating Costs Basic Operating Costs for each Property for the next succeeding calendar year (the "Budget"). The Budget shall show (i) the estimated amount of Tenant's Estimated Operating Cost for the next succeeding calendar year, (ii) the estimated amount for each major category of expense that is expected to be included in Basic Operating Costs for each Property during the next succeeding calendar year, including any items that constitute capital expenditures in accordance with this Lease and the amount thereof to be amortized during such calendar year and (iii) the actual amounts for all such items for the prior calendar year. It is understood and agreed by Landlord and Tenant that the Basic Operating Costs in the Budget shall be estimated on a reasonable good faith basis taking into consideration, among other things, the actual Basic Operating Costs for the then current calendar year, a good faith estimate of the rate of cost increases during the then current calendar year, the actual known prospective increases to each item in the Budget and a good faith estimate for contingencies for the next succeeding calendar year. Tenant may disapprove a portion of a proposed Budget if such portion of the Budget fails to reflect the reasonable and necessary Basic Operating Costs to operate, repair and maintain the Building and the Property in conformity with the requirements of this Lease and in accordance with the accepted principles of sound management practices as applied to the operation, repair and maintenance of comparable buildings.

- 4.4.5** Tenant, after its receipt of the proposed Budget, shall have the right (but not the obligation) to object to any portion of the proposed Budget that fails to reflect the provisions of this Lease (including the inclusion in Basic Operating Cost of amounts not permitted to be so included hereunder) (any objection by Tenant pursuant to the provisions of this sentence, a "Tenant Budget Objection"). If Tenant elects to raise Tenant Budget Objections, then it shall do so by notice to Landlord within thirty (30) days following Tenant's receipt of the proposed Budget, which notice shall set forth the Tenant Budget Objections, in reasonable detail, stating the basis for each Tenant Budget Objection.
- 4.4.6** Landlord and Tenant shall negotiate in good faith to resolve all Tenant Budget Objections with respect to the proposed Budget. If the parties shall be unsuccessful in their efforts to resolve all Tenant Budget Objections within thirty (30) days following Landlord's receipt of the Tenant Budget Objections, either party may, at any time thereafter, cause all disputes with respect Tenant Budget Objections to be resolved in accordance with the provisions of Section 37 of this Lease. Landlord and Tenant agree that Landlord shall have the right to make a capital repair or replacement of any major Building system or component, as opposed to performing ordinary repairs and/or maintenance with respect to such major Building system or component, only if Landlord establishes, to the reasonable satisfaction of Tenant or, if applicable, an arbitrator appointed pursuant to Section 37 of this Lease, that such Building system or component is beyond its useful life and that continued repair or maintenance (as opposed to replacement) is not commercially practicable.
- 4.4.7** Within thirty (30) days after the resolution of all Tenant Budget Objections, Landlord shall prepare and deliver to Tenant the final Budget for the applicable calendar year, which final Budget shall reflect the resolution of all Tenant Budget Objections. Notwithstanding the foregoing, even if all of the Tenant Budget Objections have not theretofore been resolved, on or prior to December 1 of each year, Landlord shall issue a final Budget for the subsequent calendar year with any unresolved Tenant Budget Objections duly noted thereon.
- 4.4.8** If Landlord determines during the course of a calendar year that Landlord needs to revise the Estimated Basic Operating Cost for the balance of such calendar year because, for example, operating expenses for the Property are running higher or lower than previously estimated or the Building or the Property is in need of capital repairs, replacements or improvements that are not included in the final Budget for such calendar year, Landlord shall so advise Tenant in writing. In such event, Tenant shall review and approve or disapprove Landlord's proposed revisions to the Estimated Basic Operating Cost in conformity with the procedures outlined in this Section 4.4 as if such revisions were originally included by Landlord as part of the budget process described above. Except for revisions based

upon emergency repairs, replacements or improvements of a capital nature, Landlord shall not revise the Estimated Basic Operating Cost more frequently than one (1) time each calendar year.

4.4.9 Tenant, at Tenant's sole cost and expense, shall have the right, to be exercised by notice to Landlord within ninety (90) days following Tenant's receipt of an Annual Reconciliation Statement, to inspect Landlord's books and records pertaining to Landlord's determination of Basic Operating Cost for the period covered by the Annual Reconciliation Statement. Tenant shall commence any such inspection within ninety (90) days following Tenant's notice to Landlord and thereafter proceeds reasonably to conclusion. Landlord agrees to cooperate in good faith with Tenant in the conduct of any such inspection and to make Landlord's books and records relating to Basic Operating Cost for the period covered by the Annual Reconciliation Statement available to Tenant or Tenant's agents. If, upon completion of the inspection, it is determined that Tenant overpaid Basic Operating Cost Adjustment, Landlord shall pay or credit the overpaid amount to Tenant within thirty (30) days plus interest thereon at the Default Rate for the period commencing on the last day of the calendar year of the inspection period until the date the overpayment is reimbursed by Landlord. In any case, should Landlord disagree with the results of Tenant's audit, either Landlord or Tenant may refer the matter for resolution pursuant to the provisions of Section 37 of this Lease.

5. SERVICES TO BE FURNISHED BY LANDLORD.

5.1 Defined Services. The Landlord shall furnish Tenant the following services at a minimum (the "Defined Services"):

- (a) Hot and cold water at those points of supply provided for general use of other tenants in the Building.
- (b) Central heat and air conditioning at the "standard" temperatures and relative humidities set forth in Section 5.3 of this Lease. Provided, however, heating and air conditioning service at times other than for "Normal Business Hours" for the Building (as established in Section 5.8) shall be furnished only upon the request of Tenant delivered to Landlord in accordance with the provisions of Section 5.2 of this Lease. Tenant shall bear the entire cost of such additional service as such costs are actually incurred by Landlord. Such additional service shall be charged to Tenant at a rate no higher than Landlord's actual cost therefor, without profit.
- (c) Routine maintenance and electrical lighting service for all common areas and service areas of the Building in the manner and to the extent standard for comparable buildings in the vicinity of the Building.

- (d) Janitorial service, Mondays through Fridays, exclusive of normal business holidays, provided that Tenant shall have the right, upon sixty (60) days notice to Landlord, to separately contract for janitorial services with respect to the Leased Premises. If Tenant makes such election, Basic Operating Cost shall exclude the cost of providing janitorial services to other tenants and occupants of the Building and all other portions of the Property (except for common areas) during the period of time that Tenant separately contracts for its own janitorial services, and the calculation of Tenant's Basic Operating Cost Adjustment shall be adjusted so that Tenant receives the benefit of an appropriate credit for its payment of janitorial expenses allocable to its Leased Premises.
- (e) All electrical current required by Tenant in its use and occupancy of the Leased Premises for general office uses as now conducted, except additional service as described in Section 5.1(b) above.
- (f) All Building standard fluorescent bulb and ballast replacement in the Leased Premises and fluorescent and incandescent bulb replacement in the common areas and service areas.

5.2 After Hours Heating and Air Conditioning Notice. In the event Tenant desires after-hours heating or air conditioning as an additional service described in Section 5.1(b) above, Tenant shall provide Landlord reasonable prior notice (which may be oral) thereof during Normal Business Hours.

5.3 Standard for Heating, Ventilation, and Air Conditioning System. The Building standard heating, ventilation, and air conditioning ("HVAC") system will be operated by Landlord to maintain the following inside temperature conditions during Normal Business Hours or such other times as after hours air conditioning and heating service is requested by Tenant:

- (a) not more than 76 degrees Fahrenheit and 55% selective humidity when the outside temperature is less than 94 degrees Fahrenheit dry bulb and 75 degrees Fahrenheit wet bulb,
- (b) not less than a minimum temperature of 72 degrees Fahrenheit when the outside temperature is greater than 17 degrees Fahrenheit;
- (c) maximum inside relative humidity will, in any event, be limited to that which will not cause condensation on the windows when outside temperatures are 5 degrees to 65 degrees Fahrenheit dry bulb. The foregoing provisions of this Section 5 notwithstanding, the enumeration of particular building services is not a representation or agreement by Landlord that each Defined Service is available in specific quantities or amounts, or to particular standards or specifications at the Property. Landlord and Tenant acknowledge that Tenant owned and operated the Property prior to the Commencement Date and Tenant is fully aware of

the capabilities and limitations of the Building systems. Nothing herein shall be deemed to be a covenant or agreement of Landlord, or a representation or warranty of Landlord, express or implied, that Landlord shall improve the level of service provided by existing Property systems, provided that any HVAC systems installed by Landlord during the Lease Term that replace HVAC systems in service on the Commencement Date must conform to the above listed standards.

5.4 Service Interruption. In the event of an interruption of the Defined Services as a result of causes that are within the reasonable control of Landlord or that are capable of being cured by Landlord through the exercise of reasonable effort, the following shall apply:

- (a) If all or a portion of the Leased Premises are rendered Untenantable (as defined below) for a period of three (3) consecutive business days following notice thereof to Landlord, commencing with the fourth (4th) day of Untenantability and continue until such Defined Services have been restored, the Rental shall abate in the proportion that the Untenantable area of the Leased Premises bears to the total area of the Leased Premises for the period of such untenability. As used herein, "Untenantable," when used with respect to the Leased Premises, or any portion thereof, shall mean that the Leased Premises, or the affected portion thereof, is not capable, in Tenant's sole but reasonable discretion, of being used for the conduct of Tenant's business on a continuing basis and, in fact, is not so used or occupied by Tenant or any subtenant or other person claiming by, through or under Tenant.
- (b) In the event that Tenant has notified Landlord of an interruption of Defined Services and Landlord has not cured or commenced curing (either directly or by action of appropriate third parties) such interruption within a reasonable time of such notice, then Tenant may, upon not less than two (2) business days' prior notice to Landlord, perform or supply the Defined Services that have been interrupted and invoice the Landlord for the reasonable cost of such services actually incurred. Landlord shall reimburse Tenant for any costs reasonably incurred by Tenant pursuant to this Section 5.4(b) within twenty (20) days following Landlord's receipt of Tenant's written demand therefore, together with copies of paid invoices or other documentation evidencing such costs. If Landlord fails to so reimburse Tenant within such twenty (20) day period, and if Landlord's failure continues for more than five (5) business days following Landlord's receipt of a second notice that states in all capital letters (or other prominent display) that Tenant may offset Rental due under this Lease if Landlord fails to pay the required amounts within five (5) business days after receipt thereof, Tenant shall have the right to offset and deduct said sum from its next payment(s) of Rental.

- (c) If Defined Services are disrupted, terminated or interrupted to such a continuing or intermittent but regularly repeated degree that fifty percent (50%) or more of the Leased Premises are rendered Untenantable for a period of thirty (30) or more consecutive calendar days (a "Major Disruption"), at any time thereafter Tenant may, in addition to all other rights and remedies that are available to Tenant hereunder, at law and in equity, pursue the rights and remedies granted to Tenant under Section 37 below.
- (d) In no event shall the period specified above during which the Leased Premises are "Untenantable" be deemed to commence until Tenant has given notice to Landlord of the existence of such condition.

5.5 Service Interruption Outside Control of Landlord; Access Denied.

5.5.1 The failure by Landlord to any extent to furnish, or the interruption or termination of, the Defined Services, in whole or in part, resulting from causes beyond the reasonable control of Landlord, shall not render Landlord liable in any respect nor be construed as an eviction (constructive or otherwise) of Tenant, nor relieve Tenant from the obligation to fulfill any covenant or agreement of this Lease. In the event of any interruption or termination of any of the Defined Services, Landlord shall use its reasonable best efforts to restore the Defined Services.

5.5.2 If Tenant's access to the Leased Premises is denied by order of public authority having jurisdiction over the Property (such as, for example, following a riot, civil commotion, fire in an adjacent building or natural disaster) and, as a result thereof, all or a portion of the Leased Premises are rendered Untenantable for a period of three (3) consecutive business days following notice thereof to Landlord, commencing with the fourth (4th) day of Untenantability and continue until Tenant's access to the Leased Premises has been restored, the Rental shall abate in the proportion that the Untenantable area of the Leased Premises bears to the total area of the Leased Premises for the period of such untenantability.

5.6 Limitation of Liability For Failure of Electrical Power. Without limiting any of the foregoing, Landlord shall not be liable for any loss of computer data or other damages resulting from a failure of electrical power, unless such failure is a result of Landlord's gross negligence, willful misconduct or failure to pay for such electrical power.

5.7 Repairs by Landlord. Landlord shall make any improvements or repairs or replacements as may be necessary to maintain the Building and the Property, including, but not limited to, the parking lot(s), in a manner consistent with comparable buildings, and to cause the Building and the Property, including, but not limited to, the parking lot(s), to be in compliance with all applicable laws and

regulations (except that Tenant shall be responsible for one hundred percent (100%) of the cost of such compliance to the extent located within the Leased Premises), and such additional maintenance or repair as may be necessary because of damages by persons other than Tenant, its agents, employees, invitees or visitors. All repairs made by the Landlord shall be accomplished after the notice required pursuant to Section 10 and without exposing Tenant, its employees, and its guests and invitees to harm or to harmful substances. Landlord shall not be liable for any damage or inconvenience which may arise through repair or alterations of any part of the Building or Leased Premises; provided, that Landlord, to the extent practical, shall endeavor to make any repairs or alterations in such a manner so as to minimize any inconvenience to Tenant.

- 5.8 Service Hours.** For purposes of the services to be provided by Landlord, "Normal Business Hours" shall be from 7:00 a.m. to 6:30 p.m. Monday through Thursday, 6:30 a.m. to 7:00 p.m. on Fridays and 8:00 a.m. until noon on Saturdays exclusive of regularly observed holidays. Landlord shall make its services available during such hours, but such services shall not be automatically required (i.e., if Tenant does not occupy or utilize its space on Saturday morning, Landlord need not turn services on but shall simply provide a method whereby Tenant can turn them on if it needs them). Outside of Normal Business Hours, Landlord may impose a reasonable charge for rates, HVAC, and similar services.

6. GRAPHICS.

- 6.1 Tenant's Name.** Tenant may provide and install Tenant's name and suite numerals at the main entrance door to the Leased Premises. All graphics of Tenant visible in or from public corridors or the exterior of the Leased Premises shall be subject to Landlord's reasonable approval. Landlord will also provide directory information strips identifying Tenant in the building directory, if any, located on the lobby level of the Building.
- 6.2 Signs.** Subject to applicable laws, existing leases and restrictions of record, and for so long as Tenant continues in possession of not less than fifty percent (50%) of the Leased Premises, Tenant shall have the right to install at its sole expense one monument-style sign on the exterior of the Building or on the ground level plaza of the Building, at such location and in such design as approved by Landlord, which approval shall not be unreasonably withheld, conditioned or delayed. In addition to the monument sign, Tenant shall have the right, at Tenant's sole expense, to erect on the exterior face of the Building, a sign denoting "Regions" or the name of any successor company of the Tenant, as well as such other signs as shall be requested by Tenant, provided that all such signs shall comply with all applicable laws and ordinances. Landlord hereby approves all of Tenant's existing interior and exterior signage as the same exists on the Commencement Date. At the expiration or earlier termination of this Lease, if so requested by Landlord, Tenant shall, at Tenant's sole expense, remove Tenant's name and logo from all exterior signage. Tenant shall repair any damage to the interior or exterior of the Building caused by Tenant's installation, maintenance,

use, relocation or removal of Tenant's signage as herein provided. Notwithstanding the rights granted to Tenant under this Section 6.2, Landlord may erect or install such interior and exterior signage and logos for other tenants in the Building as Landlord, in its sole discretion, deems appropriate, so long as the same do not cover-up or otherwise unreasonably interfere with any signage or logos previously erected or installed by Tenant and provided that, so long as the herein named Tenant occupies at least twenty percent (20%) of the leaseable area of the Building, Landlord shall not (i) name the Building after an Investment Products Company (as defined below) or (ii) permit an Investment Products Company to erect naming or logo signage on the roof of the Building or at or around the top level of the exterior of the Building. As used herein, an "Investment Products Company" shall mean any company whose primary business is the sale, at retail, of securities, mutual funds and other investment products to non-institutional purchasers (such as, for example, Charles Schwab or other retail brokerage firm, but excluding life insurance companies that may also offer non-insurance investment products).

7. CARE OF THE LEASED PREMISES BY TENANT.

7.1 Condition of Leased Premises at Commencement; Notice to Landlord. Tenant's taking possession of the Leased Premises shall be conclusive evidence as against the Tenant that the Leased Premises were in good order and satisfactory condition when the Tenant took possession. At all times during the Lease Term, Tenant agrees to give Landlord prompt notice of any apparent defective condition in or about the Leased Premises. Subject to the provisions of this Lease, Tenant hereby accepts the Leased Premises in their "as-is" condition and acknowledges that Landlord has no obligation to construct additional leasehold improvements in the Leased Premises or to provide any money, work, labor, material, fixtures, decoration or equipment with respect to the Leased Premises.

7.2 No Waste. Tenant shall not commit or allow any waste to be committed on any portion of the Leased Premises.

8. REPAIRS AND ALTERATIONS BY TENANT.

8.1 Repair by Tenant. Tenant shall, at its sole cost and expense, promptly perform all maintenance, repairs, refurbishing and replacement work to the Leased Premises that are not Landlord's express responsibility under this Lease, and shall keep the Leased Premises in good order, condition and repair, reasonable wear and tear and damage for which the Tenant is not obligated to make repairs under this Lease excepted. Notwithstanding the foregoing, Landlord hereby accepts the Leased Premises in their "as-is" condition as of the Commencement Date and acknowledges that, as of the Commencement Date, Tenant is in full compliance with its obligation to maintain and repair the Leased Premises as provided above. Tenant's repair obligations include repairs to: (a) floor covering, (b) interior partitions, (c) doors, (d) the interior side of demising walls, (e) electronic, phone and data cabling and related equipment that is installed by or for the exclusive

benefit of Tenant and located in the Leased Premises or other portions of the Building, (f) supplemental air conditioning units, private showers and kitchens, including hot water heaters, plumbing and similar facilities serving Tenant exclusively, and (g) alterations performed by contractors retained by Tenant, including related HVAC balancing. All Tenant's work shall be performed in a good and workmanlike manner and in accordance with the rules and procedures reasonably identified by Landlord. Tenant shall, at Tenant's own cost and expense, repair any damage done to the Building, or any part thereof, including replacement of damaged portions or items, caused by Tenant or Tenant's agents, guests, employees, invitees, licensees, customers or visitors, and Tenant covenants and agrees to make all such repairs as may be required to restore the Building to as good a condition as it was in prior to such damage except to the extent that such damage may be actually covered by insurance, in which event, the provisions of Section 14.1 of this Lease shall control. Notwithstanding the foregoing, if and to the extent requested by Tenant, Landlord shall from time to time perform routine items of repair and maintenance within the Leased Premises on Tenant's behalf and at Tenant's sole cost and expense.

8.2 Compliance with Laws; Repair by Landlord. All such work or repairs by Tenant shall be effected in compliance with all applicable laws; provided, however, if Tenant fails to make such repairs or replacements within a reasonable period of time after demand by Landlord, Landlord may, at its option, make repairs or replacements, and Tenant shall pay to Landlord the actual cost thereof within thirty (30) days of Landlord's written demand therefor, as additional rent. When Landlord provides such written demand to Tenant for reimbursement, Landlord shall simultaneously deliver to Tenant (a) copies of all applicable bills and invoices, (b) copies of all canceled checks evidencing payment of such bills and invoices, and (c) evidence that all contractors providing materials or work have been fully paid.

8.3 Alterations or Additions by Tenant. Except for non-structural, cosmetic modifications, which shall not require approval, Tenant agrees with Landlord not to make or allow to be made any alterations to the Leased Premises, install any vending machines on the Leased Premises (other than for Tenant's use), without first obtaining the prior written consent of Landlord in each such instance, which consent shall not be unreasonably withheld, conditioned or delayed. All such alterations or additions shall be made in compliance with applicable legal requirements. Tenant's performance of alterations that require Landlord's approval shall be performed in compliance with reasonable rules and regulations imposed by Landlord, including that (i) Tenant provides Landlord with as-built plans and specifications related to such alterations or additions upon completion of same, (ii) such additions and alterations do not adversely affect the mechanical, electrical, plumbing or life safety systems or the structural integrity of the Building, (iii) Tenant coordinates its activities with the Building's property manager and (iv) Tenant reimburses Landlord for any actual, out-of-pocket costs reasonably incurred by Landlord to review Tenant's alteration plans and, following Tenant's completion thereof, to verify that Tenant's alterations, as

constructed, do not adversely affect the mechanical, electrical, plumbing or life safety systems or the structural integrity of the Building. In addition, Landlord may condition Landlord's approval of any alteration on Tenant's removal of the same, at Tenant's sole cost, at the expiration or earlier termination of this Lease, but only if Landlord notifies Tenant of such requirement at the time Landlord approves Tenant's construction of such alteration.

8.4 Property of Landlord. Except as provided in Section 28 of this Lease, any and all alterations to the Leased Premises shall become the property of Landlord upon termination of this Lease (except for movable equipment or furniture owned by Tenant). Landlord acknowledges that certain property and money that Tenant will hold under its control in the performance of its business as a bank and financial institution will not belong to Tenant and nothing contained in this Lease shall be or be construed to allow Landlord to interfere with the rights of the owners of such property, whether held in trust, in safe deposit boxes, or otherwise, to the possession of such property or money.

9. LAWS, REGULATIONS AND RULES.

9.1 Applicable Ordinances. Tenant shall comply with all applicable laws, ordinances, rules and regulations of any governmental entity, agency or authority having jurisdiction over the Leased Premises or Tenant's use of the Leased Premises.

9.2 Building Rules. Tenant shall comply with the Building Rules reasonably adopted by Landlord as they may be reasonably amended by Landlord from time to time, so long as such rules do not increase the financial obligations of Tenant (the "Building Rules"), and will use its best efforts to cause all of its agents, employees, invitees and visitors to do so. All changes to the Building Rules will be furnished by Landlord to Tenant in writing prior to their effectiveness. The Building Rules shall be applicable to all tenants in the Building and shall be equally enforced by Landlord.

9.3 Environmental Laws. Tenant shall be solely responsible for and shall undertake all work required by any governmental authority or as necessary to comply with, and not violate, legal requirements (a) within the Leased Premises and (b) arising from hazardous materials introduced on, in or under the Building or the Property solely by Tenant, its agents, employees, invitees or contractors.

10. ENTRY BY LANDLORD; THIRD PARTY ACCESS TO COMMON FACILITIES.

10.1 Tenant shall permit Landlord or its agents or representatives to enter into and upon any part of the Leased Premises upon prior notice and at all reasonable hours (and in emergencies at all times without prior notice) to inspect the condition, occupancy or use, to show the Leased Premises to prospective purchasers, mortgagees, tenants or insurers, or to clean or make repairs, alterations or additions. Tenant shall not be entitled to any abatement or reduction

of rent by reason of this right of entry; however, any proposed entry by Landlord for the purpose of showing the Leased Premises shall be subject to reasonable prior notice by Landlord and approval by Tenant, such approval by Tenant not to be unreasonably withheld, conditioned or delayed. Notwithstanding anything herein to contrary, Landlord shall comply with all applicable banking laws and rules regarding access to the Leased Premises and shall not enter and/or inspect any safety deposit box, vault, and/or other storage device containing confidential materials of third parties. Landlord shall endeavor to minimize disruptions to Tenant's business operations when exercising its rights under this Section 10.1.

- 10.2** To the extent necessary to facilitate access to any common systems, equipment and facilities located within the Leased Premises that service or benefit portions of the Building located outside of the Leased Premises, Tenant shall permit Landlord, the other tenants in the Building and their respective agents, representatives and invitees to enter such portions of the Leased Premises as are reasonably necessary to access, maintain, repair, replace and utilize such systems, equipment and facilities. Such access shall be permitted at all reasonable hours upon reasonable prior notice to Tenant (and in emergencies at all times without prior notice). Tenant shall not be entitled to any abatement or reduction of rent by reason of this right of entry. Tenant may impose such reasonable rules as Tenant deems necessary to minimize disruptions to Tenant's business operations in connection with the exercise of this right of entry by Landlord and others.

11. ASSIGNMENT AND SUBLETTING.

- 11.1 Assignment and Subletting.** Except as permitted under Section 11.2, Tenant shall not, without the prior written consent of Landlord, which consent shall not be unreasonably withheld, conditioned or delayed, assign this Lease, sublet all or a portion of the Leased Premises or allow any lien to be placed upon Landlord's or Tenant's interest in and to the Leased Premises or the Property or the estates or interests created by this Lease. No assignment or subletting by Tenant, whether or not consented to by Landlord, shall relieve Tenant of any obligation under this Lease. Following the execution of any instrument of assignment or subletting, Tenant shall promptly provide a copy thereof to Landlord. All subleases shall by their terms be subject and subordinate to this Lease as amended from time to time.
- 11.2 Change in Ownership of Tenant; Permitted Assignment or Subletting.** Tenant may assign or transfer this Lease and Tenant's interest therein without the necessity for obtaining Landlord's consent thereto, if such assignment or transfer is made in connection with a merger, consolidation or sale of all or substantially all the assets of Tenant; provided that the assignee or surviving entity in such merger, consolidation or sale of assets assumes or becomes liable by operation of law for the obligations of Tenant under this Lease, it being expressly understood and agreed that no such assignment or transfer shall relieve Tenant of any of its obligations under this Lease. Tenant shall also have the right to assign this Lease or sublet all or a portion of the Leased Premises to an affiliate of the Tenant without the consent of the Landlord. Any successor or surviving entity to whom

this Lease is assigned or any affiliate of Tenant to whom this Lease is assigned or to whom all or a portion of the Leased Premises are sublet is hereinafter referred to as a "Permitted Assignee." Tenant agrees to notify Landlord in writing promptly following the occurrence of any transactions with Permitted Assignees.

11.3 Landlord Recapture Right. If Tenant desires to assign this Lease or sublet all or any portion of the Leased Premises to a person or entity other than a Permitted Assignee for all, or substantially all, of the remainder of the current Lease Term, Tenant shall notify Landlord in writing at least ten (10) business days prior to the date on which Tenant desires such assignment or sublease to become effective (any such notice, a "Transfer Notice") of the (a) economic terms of the proposed assignment or subletting, (b) the identity of the proposed assignee or sublessee, (c) in the case of a subletting, the portion of the Leased Premises proposed to be sublet (the "Sublet Space"), and (d) the use to be made by such sublessee of such Sublet Space. Tenant agrees to use its reasonable efforts to promptly provide any additional information about the proposed assignment sublease that is reasonably requested by Landlord. The Transfer Notice also shall state in all capital letters (or other prominent display), that Landlord shall be deemed to have declined to recapture the Sublet Space and to have approved the assignment or sublease if Landlord fails to respond within five (5) business days after receipt thereof. If Landlord fails to respond to such Transfer Notice within five (5) business days after receipt thereof, Landlord shall be deemed to have approved the proposed assignment or sublease as set forth in the Transfer Notice. If Tenant shall fail to consummate the assignment or sublease that was the subject of the Transfer Notice on the same terms as those set forth in the Transfer Notice within two hundred seventy (270) days following the date of the Transfer Notice, then Tenant shall be obligated to deliver to Landlord a further Transfer Notice in regard to any further proposed assignment or sublease, and the process shall be repeated until an assignment or sublease shall be signed within the time and on the terms required, or Landlord shall elect to recapture the Sublet Space. If Landlord elects to recapture the Sublet Space, upon such recapture and Tenant's surrender and Landlord's acceptance of the Sublet Space, (i) Tenant shall be released from its obligations under this Lease for the remainder of the Term of this Lease as they relate to the recaptured Sublet Space only, including Tenant's obligation to pay Base Rental and Tenant's Pro-rata Share of the Basic Operating Cost as they relate to the recaptured Sublet Space only, and (ii) Landlord shall pay all leasing commissions, tenant improvement allowances and other costs associated with releasing the recaptured Sublet Space and all costs associated with demising the recaptured Sublet Space for separate occupancy.

11.4 Rights Personal to Tenant. Any provision of the Lease to the contrary notwithstanding, the rights granted to Tenant pursuant to provisions of Section 3.4 (Competitors), Section 6.2 (Signs), but only as it relates to monument and exterior Building signage, Section 30 (Early Termination Rights), Section 31 (Right of First Refusal to Acquire Property) and Section 32 (Right of First Refusal to Lease Space) are personal to the herein named Tenant and any Permitted Assignee of this Lease and such rights may not be assigned or subleased to, or exercised by,

any other person or entity. In addition, any provision of Section 2.2.5 (Rental for Renewal Terms; Determination) to the contrary notwithstanding, the Rental paid by any assignee or subtenant that is not a Permitted Assignee during any Renewal Term shall equal one hundred percent (100%) of the FMRV of the Leased Premises during such Renewal Term. Notwithstanding the foregoing, so long as the herein named Tenant or any Permitted Assignee of this Lease continues to occupy any portion of the Leased Premises, such entity may exercise any and all rights and remedies granted to it hereunder.

12. MECHANIC'S LIEN.

12.1 Tenant Not to Permit Liens. Tenant will not permit any mechanic's or materialman's lien or liens or any other liens of whatsoever nature to be placed upon the Leased Premises or the Building. Nothing in this Lease shall be deemed or construed in any way as constituting the consent or request of Landlord, express or implied, to any person for the performance of any labor or the furnishing of any materials to all or part of the Leased Premises, nor as giving Tenant any right, power or authority to contract for or permit the rendering of any services or the furnishing thereof that would or might give rise to any mechanic's or materialman's or other liens against the Leased Premises.

12.2 Right of Tenant to Bond Liens; Rights of Landlord; Additional Rent. In the event that any such lien is claimed against the Leased Premises or the Building (or any part thereof), and if Tenant, in good faith, disputes the amount of the claim or debt which is the alleged basis for any such lien or for any other reason disputes the lien claimant's right to such lien, Tenant shall not be in default under this Lease if Tenant, within thirty (30) days of receiving notice of the recording of such lien, furnishes Landlord a bond, issued by a corporate surety satisfactory to Landlord, in the amount which the lien claimant claims is secured by the lien, or deposits with Landlord such amount in cash. Tenant agrees that if a final determination is made by a court of competent jurisdiction that some or all of the amount claimed by the lien claimant to be secured by the lien is due to the lien claimant and is secured by a lien, Landlord may pay such amount from the bond or the cash deposit if Tenant does not pay such amount to the lien claimant within thirty (30) days of such final determination. If any such lien is claimed against the Leased Premises and Tenant does not furnish such bond to, or make such cash deposit with Landlord, then, in addition to any other right or remedy of Landlord, Landlord may, but shall not be obligated to, discharge such lien. Any amount paid by Landlord for such purpose shall be paid by Tenant to Landlord as additional rent within ten (10) days of Landlord's demand therefor.

13. INSURANCE.

13.1 Property Insurance. Landlord shall, at all times during the Lease Term, maintain a policy or policies of insurance, issued by and binding upon an insurance company with a rating of "A-" (A minus) or better by A. M. Best Company, Inc., insuring the Building against loss or damage by fire, or other

insurable hazards and contingencies within the concept of "all risk" for one hundred percent (100%) of the replacement cost thereof, in each case, exclusive of excavation costs, foundation costs, pilings, underground conduits, and other similar underground items with such coverage and with such limitations and conditions to coverage as may be customary for properties of similar nature, value, use and risk; provided that Landlord shall not be obligated to insure any furniture, equipment, machinery, goods, supplies or other personal property or trade fixtures that Tenant may bring or obtain upon the Leased Premises, or any additional improvements that Tenant may construct thereon. If the annual premiums charged Landlord for such casualty insurance exceed the standard premium rates because the nature of Tenant's operations result in extra-hazardous exposure, then Tenant shall upon receipt of appropriate premium invoices reimburse Landlord for such increases in such premium; provided that this provision shall not be construed so as to allow or permit, and Tenant hereby agrees not to (i) use, or allow the use of, the Leased Premises for any hazardous use, or (ii) allow, install, store or permit any hazardous or regulated materials on or in the Leased Premises without in each instance the Landlord's express written consent. Tenant shall maintain at its expense "all risk" insurance coverage on all of Tenant's personal property, including removable trade fixtures, located in the Leased Premises.

- 13.2 Liability Insurance.** Tenant and Landlord shall, each at its own expense, maintain a policy or policies of comprehensive general liability insurance, issued by and binding upon an insurance company with a rating of "A-" (A minus) or better by A. M. Best Company, Inc., with respect to their respective activities in the Building with the premiums thereon fully paid on or before the due date, issued by and binding upon an insurance company authorized to do business in the State in which the Building is located, such insurance to afford protection of not less than \$5,000,000 combined single limit coverage (including primary plus umbrella coverages) for bodily injury, property damage or combination thereof. Landlord shall not be required to maintain insurance against thefts within the Leased Premises or the Building.
- 13.3 Other Insurance.** Landlord may from time to time maintain such other insurance coverages, such as workers' compensation insurance and rent interruption insurance, as required by law, required by any mortgagee of Landlord or customary for owners of comparable buildings.
- 13.4 Tenant Self-Insurance.** Notwithstanding anything to the contrary, so long as Tenant satisfies the Self-Insurance Net Worth Test, Tenant shall have the right to maintain self insurance and/or provide or maintain any insurance required by this Lease under blanket insurance policies maintained by Tenant or provide or maintain insurance through such alternative risk management programs as Tenant may provide or participate in from time to time (such types of insurance programs being herein collectively and severally referred to as "self insurance"), provided the same does not thereby decrease the insurance coverage or limits sets forth in this Section 13. Any self insurance shall be deemed to contain all of the terms

and conditions applicable to such insurance, including, without limitation, a full waiver of subrogation, as required in Section 16. If Tenant elects to self-insure, then, with respect to any claims which may result from incidents occurring during the term of this Lease, such self insurance obligation shall survive the expiration or earlier termination of this Lease to the same extent as the insurance required would survive. As used herein, "Self-Insurance Net Worth Test" shall mean, as of any date, that (i) Tenant has a net worth of at least One Billion Dollars (\$1,000,000,000.00) and (ii) Tenant's long-term senior unsecured debt obligations are rated at least BBB (or its equivalent) by S&P and Baa2 (or its equivalent) by Moody's at of that date; provided that if Tenant is rated by only one of S&P or Moody's, such obligations shall have such rating from S&P or Moody's, as the case may be, and a comparable rating from another nationally-recognized rating agency.

14. CASUALTY DAMAGE.

14.1 Casualty Damage. If, at any time during the Lease Term, the Property, or any portion thereof, which may or may not include the Leased Premises (collectively, the "Damaged Property"), is damaged by fire, earthquake, flood or by any other casualty of any kind or nature (a "Casualty"), then, unless this Lease is terminated as hereinafter provided in this Section 14.1 or Section 14.2 below, Landlord shall proceed to rebuild or restore the Damaged Property at Landlord's sole cost and expense; provided, that, in no event shall Damaged Property include, nor shall Landlord have any obligation to rebuild or restore, any of Tenant's personal property or trade fixtures installed or maintained by, or at the instance of, Tenant, whether the same are located within or outside the Leased Premises. Such rebuilding and restoration work required of Landlord is herein collectively called "Landlord's Restoration Work". If any Casualty shall render the Leased Premises completely or partially Untenantable for any period, then all Rental shall be abated in the proportion that the Untenantable area of the Leased Premises bears to the total area of the Leased Premises for the period of such untenability. Within forty-five (45) days following any Casualty, Landlord shall cause to be prepared and delivered to Tenant an estimate of the date by which the Landlord's Restoration Work necessitated by Casualty shall be completed (which estimate shall be prepared by an independent reputable contractor, registered architect or licensed professional engineer designated by Landlord, and reasonably approved by Tenant) (such estimate being herein called the "LRW Estimate").

14.2 Tenant Termination Right. If the LRW Estimate is a date later than the date that is eighteen (18) months following the date of the Casualty, then Tenant may terminate this Lease by giving Landlord notice to such effect within thirty (30) days after the LRW Estimate is delivered to Tenant (and in the event of such termination, the Rental shall be prorated and adjusted as of the date of such termination), provided that, if Tenant elects to terminate this Lease prior to the expiration of the Fifth Lease Year, Tenant shall pay to Landlord, on or before the effective date of any such termination, an amount equal to \$0.00847 (i.e., \$3.09/365) per rentable square foot of the Leased Premises multiplied by the

number of days, if any, in the Casualty Period (as defined herein). As used herein, "Casualty Period" means (a) the number of days between the Lease termination date and the last day of the Fifth Lease Year minus (b) 545 less the number of days that Tenant's Rental was abated following the occurrence of the fire or other casualty pursuant to the provisions of this Section 14. If the Casualty Period is less than or equal to zero (because the number of days described in clause (b) is equal to or greater than the number of days described in clause (a)), no additional payment shall be due or payable. Similarly, if Tenant elects to terminate this Lease following the expiration of the Fifth Lease Year, no additional payment shall be due or payable.

- 14.3 Landlord Termination Right.** In the case of a Casualty resulting in Qualified Damage (as defined below), Landlord may elect to terminate this Lease on account thereof by delivering notice to Tenant within forty-five (45) days following the date of the Casualty, provided, that Landlord theretofore (or therewith) also terminates all other similarly affected leases in the Building that Landlord has the right to terminate. As used herein, a "Qualified Damage" shall mean either (i) damage to the Building to an extent greater than fifty percent (50%) of the replacement cost of the Building or (ii) damage for which any mortgagee of Landlord requires that the insurance proceeds therefrom be applied to the payment of the mortgage debt and not to Landlord's Restoration Work. In addition, if at the time of any substantial damage to the Leased Premises from a Casualty, less than one (1) year remains in the Lease Term, then, unless Tenant exercises its option for an available Renewal Term, if any, Landlord shall have the right, in its sole option, to elect not to rebuild or restore the Damaged Property and to terminate this Lease, such right to be exercised, if at all, by notice to Tenant within forty-five (45) days following the date of such Casualty.
- 15. CONDEMNATION.** If all or a portion of the Property is permanently taken for any public or quasi-public use, by right of eminent domain or otherwise or is sold in lieu of condemnation, then this Lease shall terminate as to the portion of the Property so taken as of the date when physical possession thereof is given to the condemning authority. If less than the all of the Property is thus taken or sold, but, as a result thereof, (a) Landlord reasonably determines that it is not economically feasible for Landlord to continue to operate the remainder of the Property (and Landlord simultaneously terminates all similarly affected leases in the Building that Landlord has the right to terminate) or (b) Tenant reasonably determines (whether or not the Leased Premises are affected thereby) that it is not economically feasible for Tenant to continue to conduct Tenant's business from the Leased Premises, either Landlord, in the case of clause (a), or Tenant, in the case of clause (b), may terminate this Lease by giving notice thereof to the other party within thirty (30) days of such taking, in which event this Lease shall terminate as of the date when physical possession of such portion of the Building or Leased Premises is taken by the condemning authority. If this Lease is not so terminated upon any such partial taking or sale, the Rental payable hereunder shall be diminished by an equitable amount from the time of the taking based on the portion of the Leased Premises taken, if any, and Landlord shall, to the extent that it is reasonably possible to do so in accordance with applicable regulations and principles of construction and engineering, commence

and proceed with reasonable diligence to restore the Building and the Leased Premises to substantially their former condition. Tenant, at Tenant's expense may, but only to the extent that the same does not diminish the award to Landlord or any mortgagee of Landlord, appear, claim, prove and recover, in proceedings relative to any taking, (i) the value of any fixtures, furniture, furnishings, leasehold improvements and other personal property that were condemned but which under the terms of this Lease Tenant is permitted to remove at the end of the Lease Term, (ii) the unamortized cost of any leasehold improvements that are not so removable by Tenant at the end of the Lease Term and that were installed at Tenant's expense, (iii) the loss of Tenant's business as the result of such condemnation and (iv) relocation and moving expenses. If any taking or condemnation for any public purpose of the Leased Premises or any portion thereof occurs for one hundred eighty (180) days or less, it shall be deemed a temporary taking and this Lease shall continue in full force and effect, except that the Rental payable hereunder shall be diminished by an equitable amount from the time of the taking based on the portion of the Leased Premises taken, if any.

16. WAIVER OF SUBROGATION RIGHTS. Each insurance policy to be obtained by Landlord and Tenant under the provisions of Section 13.1 shall contain waiver of subrogation provisions pursuant to which the insurer waives all expressed or implied rights of subrogation against Tenant or Landlord, as the case may be, and their respective officers, directors, partners, employees and agents. Anything in this Lease to the contrary notwithstanding, Landlord and Tenant each hereby waives any and all rights of recovery, claim, action or cause of action, against the other, and its agents, servants, partners, shareholders, directors, officers or employees, for any loss or damage that may occur to the Leased Premises, the Property or any improvements thereto or thereon, or any property of such party therein or thereon, by reason of fire, the elements, or any other cause that is insured against (or is insurable, whether or not actually insured) under the terms of standard fire and extended coverage insurance policies in the State in which the Property is located, regardless of the amount of the proceeds, if any, payable under such insurance policies and the cause or origin, including negligence of the other party hereto, or its agents, officers, partners, shareholders, servants or employees, and covenants that no insurer shall hold any right of subrogation against such other party on account thereof.

17. INDEMNITY.

17.1 Indemnification by Tenant. Tenant agrees to indemnify, defend and save Landlord harmless from all claims (including reasonable costs and expenses of defending against such claims) resulting from damages to property, or from injury to or death of persons: (a) occurring in the Leased Premises or (b) to the extent resulting wholly or in part from the negligent or willful act or omission of Tenant or its officers, agents, employees, contractors, subcontractors, customers or invitees, occurring in or about any other portion of the Building or the Property, provided that the foregoing indemnity shall not apply to the extent such claims result from the gross negligence or willful acts or omissions of Landlord or Landlord's officers, agents, employees, contractors, subcontractors, customers or invitees.

17.2 Indemnification by Landlord. Landlord agrees to indemnify, defend and save Tenant harmless from all claims (including reasonable costs and expenses of defending against such claims) resulting from damages to property, or from injury to or death of persons occurring in the Building or the Property to the extent resulting from the gross negligence or willful acts or omissions of Landlord or its officers, agents, employees, contractors or subcontractors.

17.3 No Liability. Neither Landlord nor Tenant shall be responsible or liable to the other, their respective officers, employees, agents, contractors, subcontractors, customers or invitees, for bodily injury, death or property damage to the extent occasioned by the acts or omissions of any other tenant in the Building or such tenant's officers, employees, agents, contractors, subcontractors, customers or invitees within the Building.

18. DAMAGES FROM CERTAIN CAUSES. Landlord shall not be liable to Tenant for any loss or damage to any property, or injury to or death of any person, occasioned by theft, fire, act of God or the public enemy, injunction, riot, strike, insurrection, war, requisition or order of governmental body or authority or any other cause beyond the control of Landlord.

19. EVENTS OF DEFAULT/REMEDIES.

19.1 Events of Default by Tenant. The happening of anyone or more of the following listed events ("Tenant Events of Default") shall constitute a breach of this Lease by Tenant:

- (a) The failure of Tenant to pay any rent or any other sum of money due hereunder, within a period of five (5) business days following the date Tenant receives notice of such failure, it being agreed that Landlord shall not be required to send Tenant more than two (2) such notices during any twelve (12) month period;
- (b) Except for the payment of rent and other sums of money hereunder, the failure of Tenant, within thirty (30) days after receipt of notice from Landlord, to comply with any provision of this Lease; provided, however, if such failure is susceptible to cure and cannot reasonably be cured within said thirty (30) day period, Tenant shall have up to an additional ninety (90) days to cure such failure so long as Tenant commences such cure within the initial thirty (30) day period and diligently and in good faith pursues such cure to completion within such resulting one hundred twenty (120) day period from the date of Landlord's notice;
- (c) The taking of the leasehold on execution or other process of law in any action against Tenant;
- (d) If the Tenant shall (i) apply for or consent to the appointment of a receiver, trustee or liquidator of the Tenant or of all or a substantial part of its assets, (ii) admit in writing its inability to pay its debts as they come

due, (iii) make a general assignment for the benefit of creditors, (iv) be granted approval of its petition seeking reorganization or arrangement with creditors or to take advantage of any insolvency law other than the Federal Bankruptcy Code, (v) file an answer admitting the material allegations of a petition filed against the Tenant in any reorganization or insolvency proceeding, other than a proceeding commenced pursuant to the Federal Bankruptcy Code, or if any order, judgment or decree shall be entered by any court of competent jurisdiction, except for a bankruptcy court or a federal court sitting as a bankruptcy court, adjudicating the Tenant insolvent, or approving a petition seeking reorganization of the Tenant, or appointing a receiver, trustee or liquidator of the Tenant or of all or a substantial part of its assets.

19.2 Landlord's Remedies for Tenant Default. Upon the occurrence of any Tenant Event or Events of Default, and if Tenant fails to cure any such Tenant Event of Default within the time provided therein, or if such default (other than a default in the payment of the Rental or any other sum due to Landlord) is of such a nature that it could not reasonably be cured within such thirty (30) day period and Tenant does not proceed with reasonable diligence and in good faith to cure such default providing reasonable evidence of its efforts to Landlord as and when requested, pursuant to Section 19.1(b), Landlord shall have the option, at Landlord's election, to pursue any one or more of the following remedies, in addition to, and not in limitation of, any other remedy or right permitted it by law or in equity or by this Lease:

- (a) Landlord may immediately or at any time thereafter, collect all overdue Rental and other charges payable to Landlord, together with Landlord's legal fees and costs of enforcement, with interest at the Default Rate from the date such sums were originally due until the date paid in full;
- (b) Landlord may immediately or at any time thereafter re-enter the Leased Premises and correct or repair any condition which shall constitute a failure on Tenant's part to keep, observe, perform, satisfy, or abide by any term, condition, covenant, agreement, or obligation of this Lease or of any notice given Tenant by Landlord pursuant to the terms of this Lease, and Tenant shall fully reimburse and compensate Landlord on demand;
- (c) Landlord, with or without terminating this Lease, may immediately or at any time thereafter demand in writing that Tenant vacate the Leased Premises and thereupon Tenant shall immediately vacate the Leased Premises and remove therefrom all property thereon belonging to or placed in the Leased Premises by, at the direction of, or with consent of Tenant, whereupon Landlord shall have the right to re-enter and take possession of the Leased Premises. Any such demand, re-entry and taking possession of the Leased Premises by Landlord shall not of itself constitute an acceptance by Landlord of a surrender of this Lease or of the

Leased Premises by Tenant and shall not of itself constitute a termination of this Lease by Landlord; and/or

- (d) Landlord, with or without terminating this Lease, may immediately or at anytime thereafter relet the Leased Premises or any part thereof, for such time or times, at such rental or rentals and upon such other terms and conditions as Landlord deems reasonable, and Landlord may make any alterations or repairs to the Leased Premises that are necessary or proper to facilitate such reletting as office space; and Tenant shall pay all costs of such reletting, including the cost of any such alterations and repairs to the Leased Premises and reasonable attorneys' fees actually incurred; and Tenant shall continue to pay all Rental due under this Lease up to and including the date of beginning of payment of rent by any subsequent tenant of part or all of the Leased Premises, and thereafter Tenant shall pay monthly during the remainder of the Lease Term the amount, if any, by which the Rental and other charges reserved in this Lease exceed the rent and other charges collected from any such subsequent tenant or tenants (net of the costs Landlord incurred to re-enter and relet the Leased Premises), but Tenant shall not be entitled to receive any excess of any such rents collected over the Rental reserved herein. Landlord hereby agrees to use its commercially reasonable efforts to relet the Leased Premises to mitigate or otherwise reduce the damages for which Tenant may be liable hereunder, but only to the extent required under applicable law in the State in which the Building is located; provided that in no event shall Landlord's leasing or attempted leasing of other space in the Building instead of the Leased Premises, in and of itself, violate the provisions of the preceding sentence. Any such reletting may be for such rent, for such time, and upon such terms as the Landlord, in the Landlord's good faith discretion, shall determine to be commercially reasonable. Landlord shall be deemed to have exercised commercially reasonable efforts to relet the Leased Premises so long as Landlord or Landlord's agents employ marketing methods and procedures substantially similar to marketing methods and procedures used by Landlord or Landlord's agents to market and lease vacant space in other buildings, which are similar in nature and quality to the Building, owned by Landlord or an affiliate of Landlord.

19.3 Property of Others. Landlord acknowledges that certain property and money held by Tenant under its control in the performance of its business as a bank and financial institution does not and will not belong to Tenant, and nothing contained in this Lease shall be or be construed to allow Landlord to interfere with the rights of the owners of such property, whether held in trust, in safe deposit boxes, or otherwise. Landlord's remedies for Tenant Default do not run to such rights and property of others.

19.4 Landlord Default; Tenant's Remedies For Landlord Default. If Landlord fails to perform any of its obligations hereunder, Tenant (except in the case of an

emergency) shall take no action without having first given Landlord thirty (30) days notice describing with specificity any such failure; provided that if the nature of Landlord's failure is such that it cannot reasonably be cured within such thirty (30) day period, the time for curing such failure shall be extended for such period of time as may be necessary to complete such cure, so long as Landlord shall proceed promptly to cure same and shall prosecute such cure continuously, in good faith and with due diligence. Following such notice and failure by Landlord to cure within such period, Tenant shall have all rights available to it at law or in equity, and shall have the further right to take the necessary actions to perform Landlord's uncured obligations hereunder and invoice Landlord for the reasonable cost and reasonable expenses thereof, unless Landlord has diligently commenced to perform its uncured obligations hereunder within said thirty (30) day period. Landlord shall reimburse Tenant for any costs reasonably incurred by Tenant pursuant to this Section 19.4 within twenty (20) days following Landlord's receipt of Tenant's written demand therefore, together with copies of paid invoices or other documentation evidencing such costs. If Landlord fails to so reimburse Tenant within such twenty (20) day period, and if Landlord's failure continues for more than five (5) business days following Landlord's receipt of a second notice that states in all capital letters (or other prominent display) that Tenant may offset Rental due under this Lease if Landlord fails to pay the required amounts within five (5) business days after receipt thereof, Tenant shall have the right to offset and deduct said sum from its next payment(s) of Rental.

19.5 Remedies are Cumulative. All the remedies of either party in the event of the other party's default shall be cumulative and, in addition, such non-defaulting party may pursue any other remedies permitted by law or in equity. Forbearance by such non-defaulting party to enforce one or more of the remedies upon the other party's default shall not constitute a waiver of such default.

20. PEACEFUL ENJOYMENT.

20.1 Rights of Tenant. Tenant shall, and may, peacefully enjoy the Leased Premises against all persons claiming by, through or under Landlord, subject to the other terms hereof, provided that Tenant pays the Rental and performs all of Tenant's covenants and agreements in this Lease.

20.2 Limitation on Peaceful Enjoyment. The foregoing covenant and any and all other covenants of the Landlord shall be binding upon Landlord and its successors only with respect to breaches occurring during its or their respective periods of ownership of the Leased Premises.

21. HOLDING OVER.

21.1 Rental Amount. If Tenant holds over without Landlord's written consent after expiration or other termination of this Lease, or if Tenant continues to occupy the Leased Premises after termination of Tenant's right of possession, Tenant shall throughout the entire holdover period pay rent at a rate equal to one-hundred fifty

percent (150%) of the Rental paid by Tenant immediately prior to the expiration or earlier termination of this Lease.

- 21.2 No Extension of Term.** No possession by Tenant after the expiration of the Lease Term shall be construed to extend the Lease Term unless Landlord has consented to such possession in writing.

22. SUBORDINATION TO MORTGAGE.

- 22.1 Subject to Mortgages.** Provided that the mortgagee in question shall execute and deliver a non-disturbance agreement in the form attached as Exhibit B hereto or in such other form as the Landlord, Tenant and the mortgagee may reasonably agree, this Lease is and shall be subject and subordinate to any mortgage, or other lien created by Landlord, whether now existing or hereafter arising upon the Leased Premises, or upon the Building and to any renewals, refinancing and extensions thereof, but Tenant agrees that any such mortgagee shall have the right at any time to subordinate such mortgage, or the lien thereof, to this Lease on such terms and subject to such conditions as such mortgagee may deem appropriate in its discretion.
- 22.2 Subordination of Lease.** Tenant agrees upon demand to execute such further instruments subordinating this Lease to any mortgage or other lien now existing or hereafter placed upon the Leased Premises or the Building as a whole, or attorning to the holder of any such liens, provided that the holder of such liens shall execute and deliver a non-disturbance agreement as provided in Section 22.1. Tenant agrees to execute such subordination and non-disturbance agreement within ten (10) business days following request by Landlord.
- 22.3 Form of Agreement.** Tenant agrees that it shall cooperate with Landlord in its efforts to obtain permanent financing for the Building, and that it shall not unreasonably refuse to execute any commercially reasonable form of subordination and non-disturbance agreement.
- 22.4 Estoppel Certificates.** Tenant agrees that it will from time to time upon request by Landlord execute and deliver to such persons as Landlord shall request, an estoppel certificate in the form attached as Exhibit C hereto or in such other form as the Landlord and Tenant may reasonably agree. Tenant agrees to execute such estoppel certificates within ten (10) business days following request by Landlord.
- 22.5 Attornment.** Tenant shall, in the event of the sale or assignment of Landlord's interest in the Building, or in the event of any proceedings brought for the foreclosure of, or in the event of exercise of the power of sale under, any mortgage made by Landlord covering the Leased Premises, attorn to the purchaser and recognize the purchaser as Landlord under this Lease, provided that such purchaser shall execute and deliver to Tenant a non-disturbance agreement in the form as such purchaser and Tenant may agree.

23. **NO LANDLORD'S LIEN.** Landlord hereby waives any and all statutory and common law liens on property of Tenant now or hereafter placed in or upon the Leased Premises.
24. **ATTORNEY'S FEES.** In any action which may be sought to enforce the provisions of this Lease, the prevailing party in such action shall be entitled to recover from the other reasonable attorneys' fees in addition to its court costs and disbursements incidental thereto.
25. **NO IMPLIED WAIVER.**
- 25.1 **No Waiver.** The failure of either party to insist at any time upon the strict performance of any covenant or agreement or to exercise any option, right, power or remedy contained in this Lease shall not be construed as a waiver or a relinquishment thereof for the future.
- 25.2 **Partial Payment.** No payment by Tenant or receipt by Landlord of a lesser amount than the monthly installment of rent due under this Lease shall be deemed to be other than payment on account of the earliest rent due, nor shall any endorsement or statement on any check or any letter accompanying any check or payment as rent be deemed an accord and satisfaction, and Landlord may accept such check or payment without prejudice to Landlord's right to recover the balance of such rent or pursue any other remedy provided in this Lease.
26. **FORCE MAJEURE.** Whenever a period of time is herein prescribed for the taking of any action by either party hereto, such party shall not be liable or responsible for, and there shall be excluded from the computation of such period of time, any delays due to strikes, riots, acts of God, shortages of labor or materials, war, governmental laws, regulations or restrictions or any other cause whatsoever beyond the control of such party; provided, however, nothing herein shall extend the time for Tenant to make payment of Rental or other charges due hereunder.
27. **RELATIONSHIP OF PARTIES.** Nothing contained in this Lease shall be deemed or construed by the parties hereto, nor by any third party, as creating the relationship of principal and agent or of partnership or of joint venture between the parties hereto, it being understood and agreed that neither the method of computation of rent, nor any other provisions contained herein, nor any acts of the parties herein, shall be deemed to create any relationship between the parties hereto other than the relationship of Landlord and Tenant.
28. **SURRENDER OF PREMISES.** The Tenant shall, at the end of the Lease Term, surrender to the Landlord the Leased Premises, broom clean and in good order, condition and repair except for ordinary wear and tear and damage for which the Tenant is not obligated to make repairs under this Lease. Upon such termination, the Tenant shall remove from the Leased Premises all trade fixtures installed by the Tenant after the Commencement Date, merchandise, furniture, furnishings, and other property of Tenant and shall promptly, at Tenant's own cost and expense, repair any damage caused by such removal, provided that Tenant may not remove, unless so directed by Landlord, (a)

mechanical equipment above the ceiling, the ceiling system, the ceiling tile, light fixtures (other than chandeliers; provided Tenant replaces the ceiling tile and leaves a connection for a replacement chandelier), (b) permanent walls, wall coverings, doors, door hardware, floor coverings (other than area rugs), (c) electrical and plumbing systems located within the Leased Premises, (d) blinds and other window coverings, (e) life safety and other building systems, (f) cafeterias and commissaries, including all fixtures, equipment and appliances used in connection therewith and (g) at all properties that include retail banking facilities, all vaults, vault doors, pneumatic tubing then existing at drive-through facilities, teller counters and under-counter steel, it being understood that all safe deposit boxes, portable safes and cash chests, ATMs and ATM equipment shall be and remain the property of Tenant and may be removed by Tenant at any time.

29. MISCELLANEOUS.

29.1 Severability. If any term or provision of this Lease, or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Lease or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each term and provision of this Lease shall be valid and enforced to the fullest extent permitted by law.

29.2 Usage. As used in this Lease, (a) the phrase "*and/or*" when applied to one or more matters or things shall be construed to apply to any one or more or all thereof as the circumstances warrant at the time in question, (b) the terms "*herein*" "*hereof*" and "*hereunder*", and words of similar import, shall be construed to refer to this Lease as a whole, and not to any particular Section or subsection, unless expressly so stated, (c) the term "*including*", whenever used herein, shall mean "including without limitation", except in those instances where it is expressly provided otherwise, (d) the term "*person*" shall mean a natural person, a partnership, a corporation, a limited liability company, and/or any other form of business or legal association or entity, (e) the term "*alterations*" shall mean any alterations, additions, removals and/or any other changes, and (f) the term "*notice*" shall mean written notice delivered in the manner specified in Section 29.13, except in those instances where it is expressly provided otherwise.

29.3 Recordation. Tenant agrees not to record this Lease or any amendment, exhibit or schedule hereto, or any memorandum or short form hereof without the prior written consent of Landlord, provided that Tenant may record a memorandum that has first been approved and executed by each of Landlord and Tenant as necessary to establish record notice of Tenant's rights upon a sale of the Property as provided in Section 31 hereof, but does not describe rent or any other financial provisions hereof. It is understood that any such memorandum shall be for purposes of recordation only and shall not in any way modify, amend, supersede or otherwise affect this Lease or its terms.

29.4 Governing Law. This Lease and the rights and obligations of the parties hereto are governed by the laws of the State in which the Building is located.

- 29.5 Time of Performance.** Except as may be otherwise expressly provided herein, time is of the essence of this Lease with respect to all required acts of Tenant.
- 29.6 Transfers of Landlord.** Landlord shall have the right to transfer and assign, in whole or in part, all its rights and obligations hereunder and in the Building and the Leased Premises referred to herein, and in such event and upon such transfer (not to include, however, assignments by Landlord in the nature of security to a third party lender) Landlord shall be released from any further obligations hereunder, and Tenant agrees to look solely to such successor in interest of Landlord for the performance of such obligations; provided that: (a) Landlord shall not be relieved of any existing, unsatisfied and matured obligation or liability which it has to Tenant at the time of such transfer or assignment, and such obligation or liability shall remain in full force and effect until it is satisfied in full, and Tenant shall retain all its rights under this Lease with regard to such obligation or liability; and (b) the transferee or assignee of Landlord's rights under this Lease shall be bound by, and must agree to honor, all of the terms, provisions and conditions of this Lease. Landlord agrees to notify Tenant in writing promptly following the occurrence of any transfer of Landlord's interest in the Building or the Leased Premises.
- 29.7 Commissions.** Landlord hereby acknowledges that no real estate agent or broker has been involved in the negotiation and preparation of this Lease on behalf of Landlord. Landlord and Tenant hereby indemnify and agree to hold each other harmless against any loss, claim, expense or liability with respect to any commissions or brokerage fees claimed on account of the execution and/or renewal of this Lease due to any action of the indemnifying party.
- 29.8 Parking.**
- 29.8.1** Tenant is hereby granted the exclusive use of 5 reserved parking spaces for use by its customers and executive officers at no charge (unless there was a charge for such usage on the Commencement Date), as shown more particularly on Exhibit D attached hereto and made a part hereof. Tenant shall have the right, at Tenant's cost and expense, to post signs or other designations of such exclusive use and monitor and enforce so that such spaces are used only by Tenant, its customers and executive officers.
- 29.8.2** Tenant is hereby granted the non-exclusive right, in common with Landlord and the other tenants and invitees of the Building, to use Tenant's Pro-rata Share of the parking spaces available on the Property that are not designated for handicap or other exclusive use. These unreserved spaces will be provided free of charge (unless there was a charge for such usage on the Commencement Date) for use by Tenant's employees or customers.
- 29.8.3** Landlord shall maintain the parking areas on the Property in a manner consistent with comparable buildings and in compliance with all

applicable laws and regulations, such maintenance to include, but not be limited to, re-paving, re-striping and posting of any signs as required hereunder.

29.9 Effect of Delivery of this Lease. Landlord has delivered a copy of this Lease to Tenant for Tenant's review only, and the delivery hereof does not constitute an offer to Tenant or an option to lease. This Lease shall not be effective until a copy executed by both Landlord and Tenant is delivered to and accepted by Landlord.

29.10 Section Headings. The section or subsection headings are used for convenience of reference only and do not define, limit or extend the scope or intent of the sections of this Lease.

29.11 No Other Representations. Neither party has made any representations or promises, except as contained herein, or in some further writings, signed by the party making such representation or promise. This Lease contains the entire agreement of the parties and no prior written or oral agreements, promises or inducements not embodied herein shall be of any force or effect.

29.12 Successors and Assigns. Each provision hereof shall extend to and shall, as the case may require, bind and inure to the benefit of the Landlord and its successors and assigns, and of the Tenant, and its successors, assigns and sublessees.

29.13 Notices.

29.13.1 The Tenant shall pay the Rental and shall forward all notices to Landlord at the following address (or at such other place as Landlord may hereafter designate in writing):

First States Investors 4200, LLC
680 Old York Road
Jenkintown, PA 19046
Attention: Nicholas S. Schorsch, President and CEO

with a copy to:

First States Group, L.P.
680 Old York Road
Jenkintown, PA 19046
Attention: Edward J. Matey Jr., General Counsel

29.13.2 The Landlord shall forward all notices to Tenant at the following address (or at such other place as Tenant may hereafter designate in writing):

Regions Bank
7130 Goodlett Farms Parkway
ALE

Cordova, TN 38016
Attention: Portfolio Administration

with a copy to:

Regions Bank
298 West Valley Avenue
Birmingham, Alabama 35209
Attention: Keith B. Pressley

with an additional copy to:

Bradley Arant Rose & White LLP
One Federal Place
1819 Fifth Avenue
Birmingham, Alabama 35203-2104
Attention: Kay K. Bains, Esq.

29.13.3 Any notice provided for in this Lease shall be deemed given when delivered, if by hand delivery, or three (3) business days following deposit, by certified mail, return receipt requested, with the United States Postal Service or one (1) business day following deposit with any nationally recognized overnight delivery service.

29.14 Reference To Lease. Reference to this Lease shall be deemed to include this Lease and any referenced and attached Exhibits and Schedules.

- 30. EARLY TERMINATION RIGHTS.** Tenant, so long as no Tenant Event of Default has occurred and is continuing hereunder, shall have the opportunity of terminating this Lease upon no less than ninety (90) days notice to the Landlord, and payment to the Landlord, on the termination date, of a fee equal to the present value of the rent for the remaining balance of the then-existing Lease Term, using an interest rate equal to the prevailing prime rate (as reported from time to time in the *Wall Street Journal* (or a successor publication)).
- 31. RIGHT OF FIRST REFUSAL TO ACQUIRE PROPERTY.** If at any time during the Initial Term of this Lease, Landlord shall receive a bona fide offer (a "Third Party Offer") from a third party (other than a purchaser making a bid at any sale incidental to the exercise of any remedy provided for in any mortgage encumbering a Building or a Property, or a proposed transaction with an affiliate of Landlord) to purchase the Property, which Third Party Offer is in all respects acceptable to Landlord, and if at the time Landlord receives such Third Party Offer, no Tenant Events of Default have occurred and shall be continuing and the herein named Tenant, or its affiliates, shall remain in possession of at least thirty-five percent (35%) of the net rentable area of the Property, Landlord shall notify Tenant of such Third Party Offer and for a period of twenty (20) days after such notice is sent by Landlord, Tenant shall have the exclusive right to accept Landlord's offer to purchase Landlord's interest in the Property upon the

terms and conditions set forth in the Third Party Offer. Tenant shall exercise such right of first refusal, if at all, by delivering its written purchase offer to Landlord within said twenty (20) days after the date of Landlord's notice. If accepted by Tenant, such purchase shall occur on the closing date specified, and otherwise on the terms and conditions set forth in, the Third Party Offer. On the date of such purchase, Landlord shall convey and assign to Tenant, or its designee, Landlord's interest in the Property in consideration of payment of the sale price therefor, in accordance and upon compliance with the terms and conditions of the Third Party Offer. If Tenant fails to accept Landlord's offer within such twenty (20) day period, then Landlord shall be free to sell the Property for a period of nine (9) months thereafter on the same economic terms and conditions (or on different terms more favorable to Landlord, as seller) without offering the Property to Tenant. If Landlord does not convey its interest in the Property within such nine (9) month period, then Tenant's rights pursuant to this Section 31 shall be reinstated. In no event shall the right of first refusal provided in this Section 31 apply to any foreclosure of any Property or the delivery of any deed-in-lieu of foreclosure and such right of first refusal shall terminate and be of no further force or effect upon and following a foreclosure or the delivery of a deed-in-lieu of foreclosure.

32. RIGHT OF FIRST REFUSAL TO LEASE SPACE.

32.1 Tenant's Expansion Notice. If Tenant shall desire to lease available space at the Property, Tenant shall notify Landlord of such interest (any such notification, a "Tenant's Expansion Notice") and identify (a) the approximate net rentable area of the expansion space desired by Tenant, (b) the date by which Tenant desires to occupy the expansion space and (c) whether Tenant is committing, in advance of receiving the Landlord Expansion Response, to lease the space identified in the Tenant Expansion Notice if and when available (any such space, "Pre-Committed Space") subject only to final determination of the FMRV of the expansion space as herein provided.

32.2 Landlord Expansion Response. Landlord shall, within ten (10) business days following Landlord's receipt of a Tenant Expansion Notice notify Tenant (any such notification, a "Landlord Expansion Response") if the space identified in Tenant's Expansion Notice is then available for leasing or is anticipated to become available for leasing within the following twelve (12) months and, if so, (a) the location, approximate net rentable area and configuration of the potential expansion space, (b) the date by which Landlord anticipates that the potential expansion spaces will become available and (c) Landlord's determination of the FMRV of the potential expansion space. If no potential expansion space that satisfies Tenant's criteria is available or anticipated to become available within the following twelve (12) months, the Landlord Expansion Response shall so state.

32.3 Expansion Space Leases. Subject to the limitations expressed in Section 32.6, Tenant shall have the right and option ("Expansion Rights") to lease all or a portion of the space available for leasing in the Property, as Tenant may elect, on the terms and conditions set forth in this Section 32. Tenant shall exercise an

Expansion Right by written reply to a Landlord Expansion Response (any such timely reply, an "Expansion Space Acceptance"), which shall specify, with particularity, (a) the location, approximate net rentable area and configuration of the space described in the Landlord Expansion Response that Tenant desires to lease, (b) the term for which Tenant desires to lease such space (which shall not be less than thirty-six (36) months nor extend beyond the current Lease Term for the remainder of the Leased Premises) and (c) whether Tenant agrees with Landlord's determination of the FMRV of such space as set forth in Landlord's Expansion Response or if Tenant desires to have the same determined by appraisal as provided in Section 2.2.7. All space for which Tenant timely exercises an Expansion Right shall be referred to as "Expansion Space." Tenant's right to lease less than all of the space identified in the Landlord Expansion Response shall be qualified by the requirement that, if Tenant desires to lease less than full floor in the Building, any available space on such partial floor that is not leased by Tenant must have a size and configuration, as reasonably agreed by Landlord and Tenant, that makes it readily leaseable to third party tenants.

- 32.4 Terms of Expansion Space Lease.** Expansion Space shall be added as Leased Premises under this Lease on the same terms and conditions as apply to all other Leased Premises as then demised hereunder, except that (a) the Rental for the Expansion Space shall equal the FMRV thereof as herein determined and (b) the term of this Lease for the Expansion Space shall be as set forth in Tenant's Expansion Space Acceptance. Tenant shall be permitted to renew the term of this Lease for Expansion Space as provided in Section 2, provided that the Rental for any Expansion Space during any Renewal Term shall equal one hundred percent (100%) of the FMRV of the Expansion Space.
- 32.5 Commencement of Expansion Space Lease.** Tenant shall accept all Expansion Space in its "AS - IS" condition, and Rental for all Expansion Space shall commence on the earlier of (i) the date Tenant commences business operation in such Expansion Space or (ii) ninety (90) days following the date on which Landlord delivers such Expansion Space to Tenant free from the rights of other tenants and occupants. Tenant shall pay all costs incident to Tenant's relocation to, moving into and making the Expansion Space ready for Tenant's use and occupancy, which tenant improvement work shall be performed by Tenant in conformity with the provisions of Section 8.3.
- 32.6 Subordination of Expansion Space Rights.** Anything herein contained to the contrary notwithstanding, Tenant's Expansion Rights as provided in this Section 32 are and shall be subordinate to any rights heretofore or hereafter granted to any other party with respect to space in the Property. Landlord may, at its discretion, lease available space in the Property to any other party on such terms and conditions as Landlord shall determine, at any time, including after Landlord's delivery of a Landlord Expansion Response, but before Landlord's receipt of an Expansion Space Acceptance with respect to any Expansion Space. Landlord may choose to use any space that is or about to become vacant within any Property for marketing or property management purposes, without notifying

or offering such space to Tenant, or giving rise to any right of Tenant hereunder. Nothing contained in this Section 32 is intended, nor may anything herein be relied upon by Tenant, as a representation by Landlord or any other party as to the availability of expansion space within the Property, and Landlord is not obligated to lease any space identified as available on any Landlord Expansion Response to Tenant unless, at the time Landlord receives an Expansion Space Acceptance, Landlord shall not have entered into a letter of intent or a lease agreement with respect to the Expansion Space that is covered by the Expansion Space Acceptance. Notwithstanding the foregoing, Landlord shall not enter into a lease or letter of intent for any space identified in a Tenant Expansion Notice as Pre-Committed Space for a period of sixty (60) days following Landlord's receipt of the Tenant Expansion Notice identifying such Pre-Committed Space.

33. NO SECURITY DEPOSIT. Landlord has not required a security deposit in connection with this Lease.

34. TRANSITION SPACE.

34.1 Transition Period. During the Transition Period (as defined herein), Tenant may use and occupy the approximately 9,627 rentable square feet identified as "Transition Space" on Exhibit A attached hereto (collectively, the "Transition Space") in conformity with the requirements of this Section 34. The Transition Space shall not constitute part of the Leased Premises, provided that (i) Tenant shall pay Base Rental and Tenant's Pro-rata Share of the Basic Operating Cost with respect to the Transition Space as herein provided and (ii) Tenant's use of the Transition Space shall be subject to the provisions of this Lease relating to permitted and prohibited uses, insurance, indemnifications and waivers of recovery. As used herein, "Transition Period" shall mean the period commencing on the Commencement Date and ending on May 31, 2006, provided that the Transition Period with respect to Transition Space under this Lease shall be extended one day for each day that either (a) Landlord delays Landlord's review and approval of the Tenant's Preliminary Space Plans, Preliminary Drawings, Final Space Plans or Final Drawings (each as defined herein) beyond the time periods set forth in Sections 35.1 or 35.2 or (ii) Tenant is delayed in performing Transition Space Demising Work as a result of or pending Landlord's performance of Base Building Demising Work. As used herein, "Transition Space Demising Work" shall mean the construction by Tenant, if and to the extent required as a result of Tenant's vacation and surrender of the Transition Space to Landlord, of (i) all walls and other work required to demise, separate and secure the Leased Premises from any portion of the Building that is not included within the Leased Premises, (ii) all work, if and to the extent required as a result of such demise, for (a) access from the Transition Space to Building Common Areas, facilities and systems necessary for the general office use of the Transition Space, including, without limitation, access to the mechanical, electrical, plumbing and other utility facilities and systems serving the Transition Space or (b) at Tenant's sole option, in lieu of creating access to existing Building Common Areas, facilities or systems, Tenant may construct replacements for Building common areas,

facilities or systems necessary for the general office use of the Transition Space and (iii) to provide proper and lawful means of ingress and egress to the Transition Space. Notwithstanding the foregoing, Tenant will not be obligated to (i) make any alterations or improvements to demise the Leased Premises on floors of any Buildings that are and shall continue to be leased by Tenant as full floors, (ii) make any alterations or improvements to floors that do not contain any Leased Premises or (iii) bring the Property into compliance with building codes or other legal requirements. All Transition Space Demising Work shall be performed in conformity with the provisions of Section 8.3 hereof.

34.2 Vacate or Lease. Prior to the expiration of the Transition Period, Tenant shall, at Tenant's election, either (i) vacate and surrender possession of the Transition Space to Landlord in conformity with the requirements of this Section 34 (the date on which Tenant surrenders the Transition Space to Landlord and notifies Landlord of the same in writing, the "Transition Space Surrender Date") or (ii) add the Transition Space as Expansion Space under this Lease pursuant to Section 32 hereof. Tenant may make different elections with respect to different portions of the Transition Space. If Tenant fails to notify Landlord prior to the expiration of the Transition Period of Tenant's election to add Transition Space as Expansion Space under this Lease, Tenant shall be deemed to have elected to vacate such Transition Space prior to the expiration of the Transition Period. If Tenant elects to add all or any portion of the Transition Space as Leased Premises as aforesaid, (i) the initial term of this Lease for such Transition Space shall continue until the expiration of the initial term for the remainder of the Leased Premises under this Lease, (ii) Tenant shall pay Base Rental with respect to such Transition Space at the same rate and subject to the same adjustments as the Base Rental paid by Tenant for the remainder of the Leased Premises under this Lease, (iii) the rentable area of such Transition Space shall be included for purposes of calculating Tenant's Pro-rata Share of the Basic Operating Cost under this Lease and (iv) Landlord and Tenant shall amend this Lease to evidence and confirm the addition of such Transition Space to the Leased Premises as aforesaid.

34.3 Transition Space Rental. For any Transition Space having a Transition Space Surrender Date within thirty (30) days following the Closing Date, no Base Rental or Tenant's Pro-rata Share of the Basic Operating Costs shall be due or payable by Tenant. For any Transition Space having a Transition Space Surrender Date more than thirty (30) days following the Closing Date, Tenant shall pay to Landlord (i) Tenant's Pro-rata Share of the Basic Operating Costs (but no Base Rental) with respect to such Transition Space during the period commencing on the Closing Date and ending one hundred twenty (120) days following the Commencement Date or, if earlier, the Transition Space Surrender Date and (ii) Tenant's Pro-rata Share of the Basic Operating Costs plus Base Rental in an amount equal to One &00/100 Dollar (\$1.00) multiplied by the rentable area of the Transition Space during the period commencing one hundred twenty-one (121) days following the Commencement Date and ending on the Transition Space Surrender Date or, if earlier, the date on which Tenant converts the Transition Space to Lease Premises as herein provided. In addition, Tenant shall

reimburse Landlord for any additional rent (not included in Tenant's Pro-rata Share of the Basic Operating Costs) that becomes due and payable by Tenant under this Lease with respect to the Transition Space. Notwithstanding anything to the contrary contained herein, if Landlord does not complete the Base Building Demising Work (as defined herein) within one hundred twenty (120) days following the Commencement Date, Tenant's obligation to pay the Base Rental required in (ii) above shall be abated until Landlord's final completion of the Base Building Demising Work. As used herein, "Base Building Demising Work" shall mean the construction by Landlord of modifications or additions to base building systems and common area facilities that are necessary to bring the Property into compliance with building codes or other legal requirements, but only if and to the extent required by any governmental authority as a result of, or as a condition to, Tenant's performance of Transition Space Demising Work.

- 34.4 Transition Space Demising Work.** Prior to surrendering Transition Space to Landlord, Tenant shall perform, at Tenant's sole cost and expense, any Transition Space Demising Work required in connection with the Transition Space. If Tenant fails to complete any required Transition Space Demising Work prior to the expiration of the Transition Period, and if such failure continues beyond the notice and cure periods granted Tenant under this Lease to cure non-monetary defaults, Landlord shall have the right, but not the obligation, to complete, at Tenant's sole cost and expense, all or a portion of the unfinished Transition Space Demising Work. Tenant shall not be deemed to have vacated and surrendered Transition Space to Landlord in conformity with the requirements of this Section 34 unless and until, among other things, Tenant satisfies its obligations under this Section 34.4 for the Transition Space.
- 34.5 Surrender of Transition Space.** Prior to surrendering Transition Space to Landlord, Tenant shall remove, at Tenant's sole cost and expense, all of Tenant's personal property and all trash and debris from the Transition Space. Tenant shall surrender the Transition Space to Landlord broom clean and in good condition, reasonable wear and tear and Transition Space Demising Work, if any, excepted. If Tenant fails to remove its personal property from the Transition Space and/or surrender the Transition Space broom clean and in good condition prior to the expiration of the Transition Period, and if such failure continues beyond the notice and cure periods granted Tenant under this Lease to cure non-monetary defaults, Landlord shall have the right, but not the obligation, to remove and dispose of Tenant's property and/or place the Transition Space in good condition, all at Tenant's sole cost and expense. Tenant shall not be deemed to have vacated and surrendered Transition Space to Landlord in conformity with the requirements of this Section 34 unless and until, among other things, Tenant satisfies its obligations under this Section 34.5 for the Transition Space.
- 34.6 Termination of Possession.** Unless Tenant makes a timely election to add the Transition Space as Lease Premises under this Lease, Landlord may terminate Tenant's right to possess and occupy the Transition Space at any time following

the expiration of the Transition Period and thereafter pursue actions at law or in equity to recover immediate possession of the Transition Space.

34.7 Vacate Notices. Tenant shall notify Landlord in writing as and when Tenant vacates a portion of the Transition Space. Within five (5) business days following Landlord's receipt of any such notice, Landlord shall inspect the Transition Space and Landlord and Tenant shall confirm in writing the date on which possession of the Transition Space was so surrendered to Landlord and the rentable area of the surrendered Transition Space. Tenant may give Landlord notice that it has vacated all or a portion of the Transition Space at any time on or after the Closing Date.

35. TRANSITION SPACE DEMISING WORK. Any Transition Space Demising Work required to be performed by Tenant shall, in each instance, be completed as follows:

35.1 Space Plans. Tenant shall prepare and submit to Landlord for Landlord's approval a preliminary space plan (the "Preliminary Space Plan") in connection with Tenant's proposed separation of the Leased Premises from the Transition Space. Landlord's approval shall not be unreasonably withheld, conditioned or delayed and shall be given or withheld, or Landlord shall advise Tenant whether Landlord requires additional information in order to evaluate Tenant's request, within ten (10) days following Tenant's delivery to Landlord of the Preliminary Space Plan. If Landlord objects to the Preliminary Space Plan (or any revision thereof), Tenant shall deliver a revised Preliminary Space Plan to Landlord and the procedure will be repeated, if necessary, until a final space plan is approved. Landlord's approval of each revised Preliminary Space Plan shall be given or withheld within ten (10) days following Landlord's receipt thereof from Tenant. The final approved space plan is hereinafter referred to as the "Final Space Plan".

35.2 Drawings. From the Final Space Plan, Tenant shall prepare and submit to Landlord for Landlord's approval detailed working drawings and specifications to the extent acquired by local permitting authorities to complete all of the proposed improvements shown on the Final Space Plan (collectively, the "Preliminary Drawings"). Landlord's approval shall not be unreasonably withheld, conditioned or delayed and shall be given or withheld, or Landlord shall advise Tenant whether Landlord requires additional information in order to evaluate Tenant's request, within ten (10) days following Tenant's delivery to Landlord of the Preliminary Drawings. If Landlord objects to the Preliminary Drawings (or any revision thereof), Tenant shall deliver revised Preliminary Drawings to Landlord and the procedure will be repeated, if necessary, until final drawings are approved. Landlord's approval of each revised Preliminary Drawing shall be given or withheld within ten (10) days following Landlord's receipt thereof from Tenant. The final approved drawings are hereinafter referred to as the "Final Drawings".

35.3 Dispute Resolution. Landlord and Tenant shall work with one another reasonably and in good faith to resolve any differences concerning the

Preliminary Space Plan and the Final Space Plan and the Preliminary Drawings and Final Drawings, failing which any disagreements shall be resolved in accordance with the provisions of Section 37 of this Lease.

- 35.4 Performance.** Tenant will cause the Transition Space Demising Work to be constructed in substantial accordance with the Final Drawings. Landlord shall be deemed to have waived Tenant's performance of any Transition Space Demising Work not shown on the Final Drawings except to the extent required to satisfy Legal Requirements. Landlord's review of Space Plans and Drawings is for Landlord's purposes only, and not a representation or warranty that the work to be performed pursuant thereto meets all Legal Requirements.
- 35.5 Permits.** In connection with the Transition Space Demising Work, Tenant shall file all drawings, plans and specifications, pay all fees and obtain all permits and applications from any authorities having jurisdiction and perform all Transition Space Demising Work in compliance with the requirements of such permits and applications; and Tenant shall promptly obtain, if required, a permanent certificate of occupancy and all other approvals required of Tenant to use and occupy the Leased Premises.
- 35.6 Contractors.** Tenant shall have the right to select the general contractor and subcontractors for the Transition Space Demising Work; provided that Tenant shall not use a contractor or subcontractor as to which Landlord shall reasonably object within three (3) days following Tenant's notice to Landlord of the identity of such contractor(s) and subcontractor(s) as Tenant has selected.
- 35.7 Mutual Cooperation.** The parties shall cooperate with each other in good faith and coordinate the scheduling of the Transition Space Demising Work in an effort to complete the same in a timely manner. Landlord and Tenant shall be commercially reasonable in agreeing to non-material reconfigurations of the boundaries of the Leased Premises to facilitate Tenant's construction of demising walls for the Leased Premises.
- 35.8 Compliance with Legal Requirements.** All of the Transition Space Demising Work shall be done in compliance with Building Standards at Tenant's expense, including building permit and other fees, architectural and engineering expenses and other expenses relating thereto. Tenant may request Landlord's review of Preliminary Space Plans or Preliminary Drawings before Tenant's notification to Landlord of Tenant's election to remove Transition Space from the Leased Premises to facilitate Tenant's understanding of the potential approximate costs associated therewith.
- 36. BASE BUILDING DEMISING WORK.** Landlord shall perform any Base Building Demising Work necessary to facilitate Tenant's performance of the Transition Space Demising Work required to be performed by Tenant under Sections 34 and 35. Tenant shall reimburse Landlord for one hundred percent (100%) of the Base Building Demising Work Cost allocated to the Leased Premises on a lump-sum basis upon Landlord's

completion of such work and submission to Tenant of invoices and supporting documentation therefor. Landlord shall include Base Building Demising Work Cost allocated to the common areas of the Property in Basic Operating Cost under this Lease on an amortized basis, and Tenant shall be responsible for its Pro-Rata Share thereof. Tenant shall not be obligated to reimburse Landlord for Base Building Demising Work Cost allocated to space leased to third parties or vacant leasable space. As used herein, "Base Building Demising Work Cost" shall mean Landlord's cost of performing the Base Building Demising Work.

37. DISPUTE RESOLUTION.

37.1 Dispute Resolution. Whenever, pursuant to any express provision of this Lease, a dispute is to be resolved pursuant to this Section 37, but not otherwise, the following provisions shall apply:

37.1.1 Any dispute to be resolved pursuant to this Section 37, shall be resolved by arbitration conducted under the auspices of Judicial Arbitration & Mediation Services, Inc. (or its successor, "JAMS") in the State and in the county where the Property is located. Either party may initiate such arbitration by sending notice (an "Arbitration Notice") of a demand to arbitrate to the other party and to JAMS. The Arbitration Notice shall contain a description of the subject matter of the arbitration, the dispute with respect thereto, the amount involved, if any, and the remedy or determination sought.

37.1.2 JAMS shall provide a list of three (3) available arbitrators from which each party may strike one. The remaining arbitrator shall serve as the arbitrator for the dispute. JAMS shall select arbitrators based on the nature of the dispute, which arbitrators shall be independent third parties who have not acted for or been employed by either party (or its affiliate) within the five (5) years preceding initiation of the arbitration with appropriate skills, background and experience (and such persons shall have at least ten (10) years of applicable experience) to be able to effectively and professionally resolve the particular dispute.

37.1.3 The arbitrator, so selected, shall schedule the arbitration within thirty (30) days after its appointment, and shall render its decision within thirty (30) days after the arbitration is concluded. The parties agree to arbitrate pursuant to JAMS' Streamlined Arbitration Rules as amended from time to time, and as modified to the extent practicable to give effect to the agreement of the parties as set forth in this Section 37.1 or in Section 37.2 below. Arbitration shall not be conducted in person unless either Landlord or Tenant shall request an in-person arbitration. The decision of the arbitrator shall be final and shall be binding upon the parties, and judgment on the award rendered by the arbitrator may be entered in any court having jurisdiction thereof.

37.1.4 Landlord and Tenant agree to sign all documents and to take all other actions necessary to submit such dispute to arbitration and hereby waive any or all rights that it may at any time have to revoke the agreement to submit such disputes to arbitration and to abide by the decision rendered thereunder.

37.1.5 This Section 37 shall not apply to any disputes, except to the extent expressly provided herein.

37.2 **Conduct of the Arbitration.** Arbitration proceedings hereunder shall be subject to the following additional provisions:

37.2.1 The hearing shall be conducted on a confidential basis without continuance or adjournment.

37.2.2 Any offer made or the details of any negotiation of the dispute subject to arbitration prior to arbitration shall not be admissible.

37.2.3 Each party shall be entitled to all rights and privileges granted by the arbitrator to the other party.

37.2.4 The arbitrators shall have the power to impose on any party such terms, conditions, consequences, liabilities, sanctions and penalties as they deem necessary or appropriate (which shall be conclusive, final and enforceable as the award on the merits) to compel or induce compliance with discovery and the appearance of, or production of documents in the custody or, any officer, director, agent or employee of a party any Affiliate of such party.

37.2.5 Arbitrators may not award indirect, consequential or punitive damages or issue injunctive relief, but the Arbitrators may, in the case of a Major Disruption as described in Section 5.4(c), but not otherwise, and only if such relief is specifically requested by Tenant, determine that the Major Disruption resulted from a willful failure of Landlord to provide Defined Services to Tenant and declare this Lease terminated as a result of such Landlord default.

37.2.6 Arbitrators shall be bound by the provisions of this Lease and shall not have the power to add to, subtract from, or otherwise deviate from such provisions.

37.2.7 Landlord or Tenant's failure to perform any obligation hereunder shall not constitute a default under this Lease if such party's duty to perform such obligation is the subject of any arbitration or any dispute that would be submitted to arbitration if unresolved during such arbitration or until such dispute is otherwise resolved.

37.3 Alternative Means of Arbitration with AAA. In the event that JAMS or any successor shall no longer exist or if JAMS or any successor fails to accept, or is legally precluded from, accepting submission of such dispute, then the dispute shall be resolved by binding arbitration before the American Arbitration Association (“AAA”) under the AAA’s commercial arbitration rules then in effect.

[Signatures on following page]

IN WITNESS WHEREOF, Landlord and Tenant have caused this Lease to be executed in their names and on their behalf in multiple original counterparts effective as of the day and year first above written.

Witnesses:

LANDLORD:

FIRST STATES INVESTORS 4200, LLC,
a Delaware limited liability company

Meredith D. Martin

By:

Sonya A. Huffman
Name: Sonya A. Huffman

Title: Vice President

Witness:

TENANT:

REGIONS BANK, an Alabama banking
corporation

Keith B. Pressley

By:

Keith B. Pressley
Name: Keith B. Pressley

Title: Senior Vice President

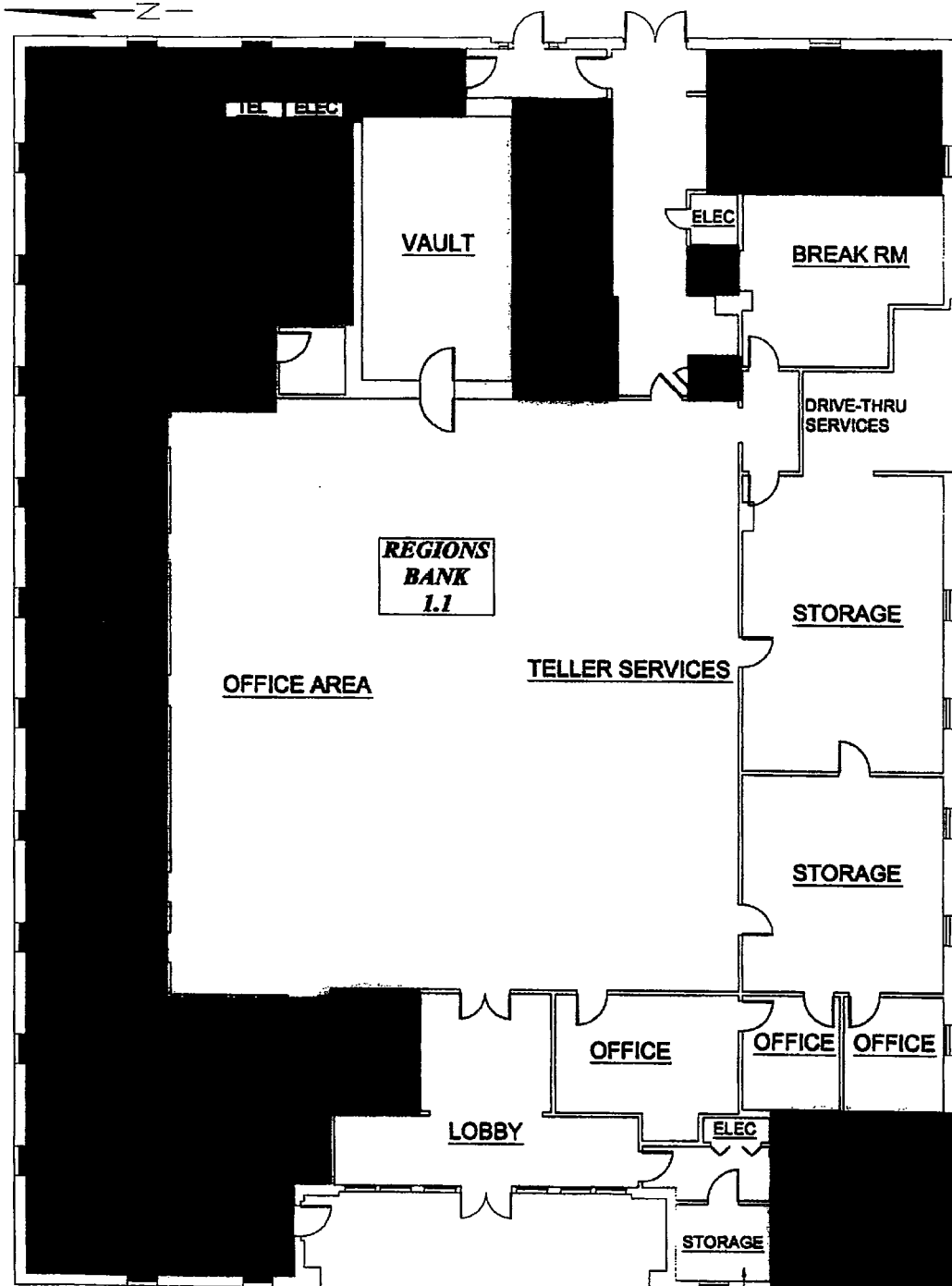
**EXHIBIT A
TO
LEASE**

[Floor Plan of Leased Premises]

PROPOSED LEASE PLAN

FIRST FLOOR

(As Measured: March 2005)

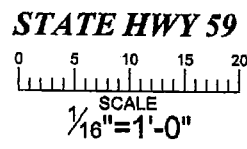


E SILVERHILL AVE

BUILDING SUMMARY		SQ. FT.
Gross Building Area		42,435
Total Rentable		38,020
Total Usable		29,483
Total Floor Common		5,088
Total Building Common		3,469
Total Vertical		2,972

FLOOR SUMMARY		SQ. FT.
Total Rentable		9,935
Total Usable		8,237
R/U		1,2061
Floor Common		797
Building Common		885
Total Vertical		756

Suite #	Usable	Rentable
1.1	5,857	7,064
1.2	73	88
1.3	2,308	2,783



REGIONS
BANK
1.2

Survey Accuracy: +/- 0.20 %

AREAS COMPUTED IN ACCORDANCE
WITH ANSI/BOMA Z65.1 (1996) STANDARD®



TEL: (888) 393-6655
FILE: 5-067 Bldg 118

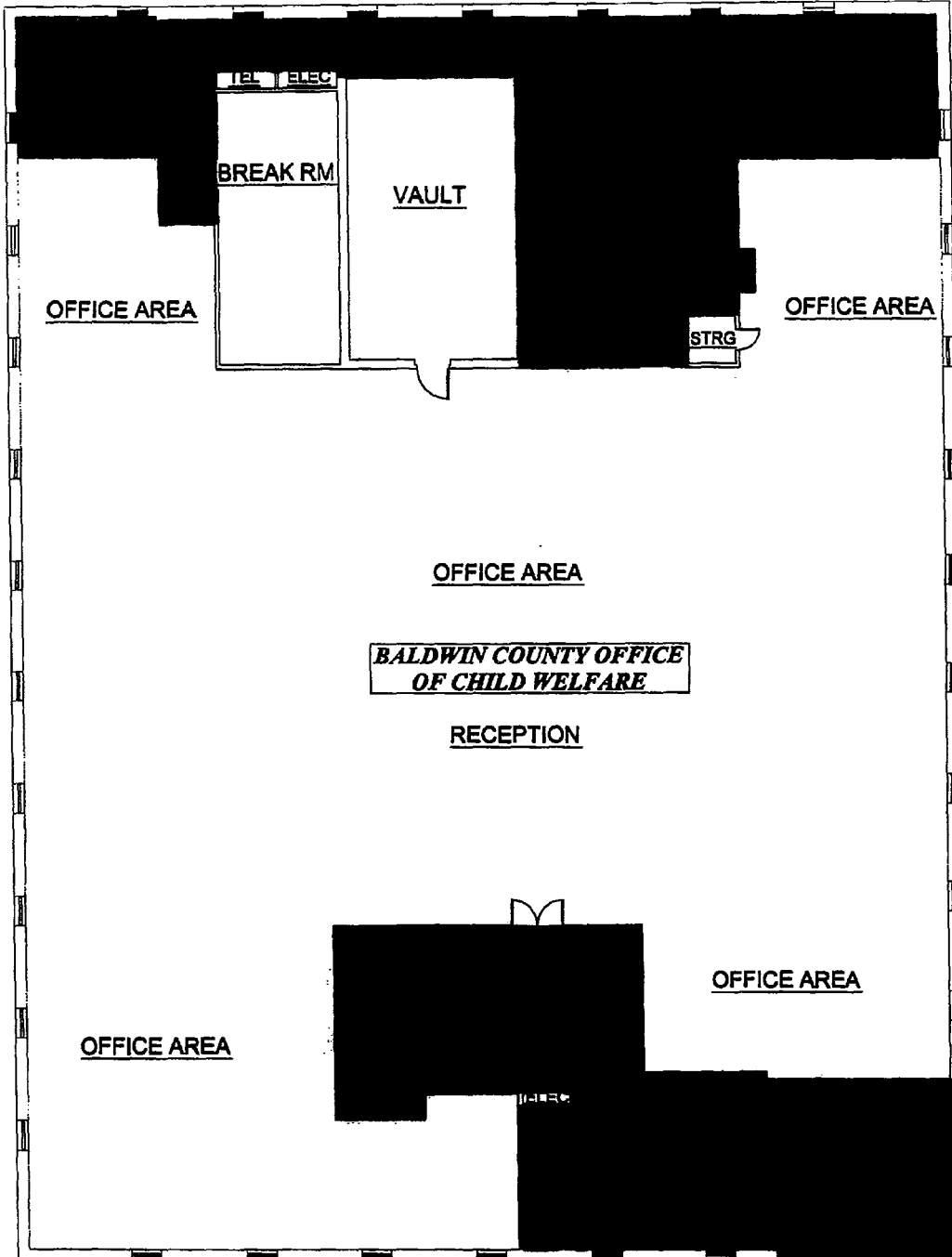
PREPARED FOR:
Regions Financial Corporation

PROJECT ID #
22070 HIGHWAY 59
ROBERTSDALE, AL

PROPOSED LEASE PLAN

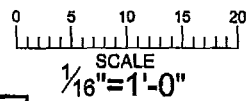
SECOND FLOOR

(As Measured: March 2005)



FLOOR SUMMARY	SQ.FT.
Total Rentable	11,266
Total Usable	8,213
R/U	1,3716
Floor Common	1,949
Building Common	27
Total Vertical	787

STATE HWY 59



Suite #	Usable	Rentable
-	8,213	11,266

AREAS COMPUTED IN ACCORDANCE
WITH ANSI/BOMA Z65.1 (1996) STANDARD

Survey Accuracy: +/- 0.16 %



TEL: (888) 393-6655
FILE: 5-067 Bldg 118

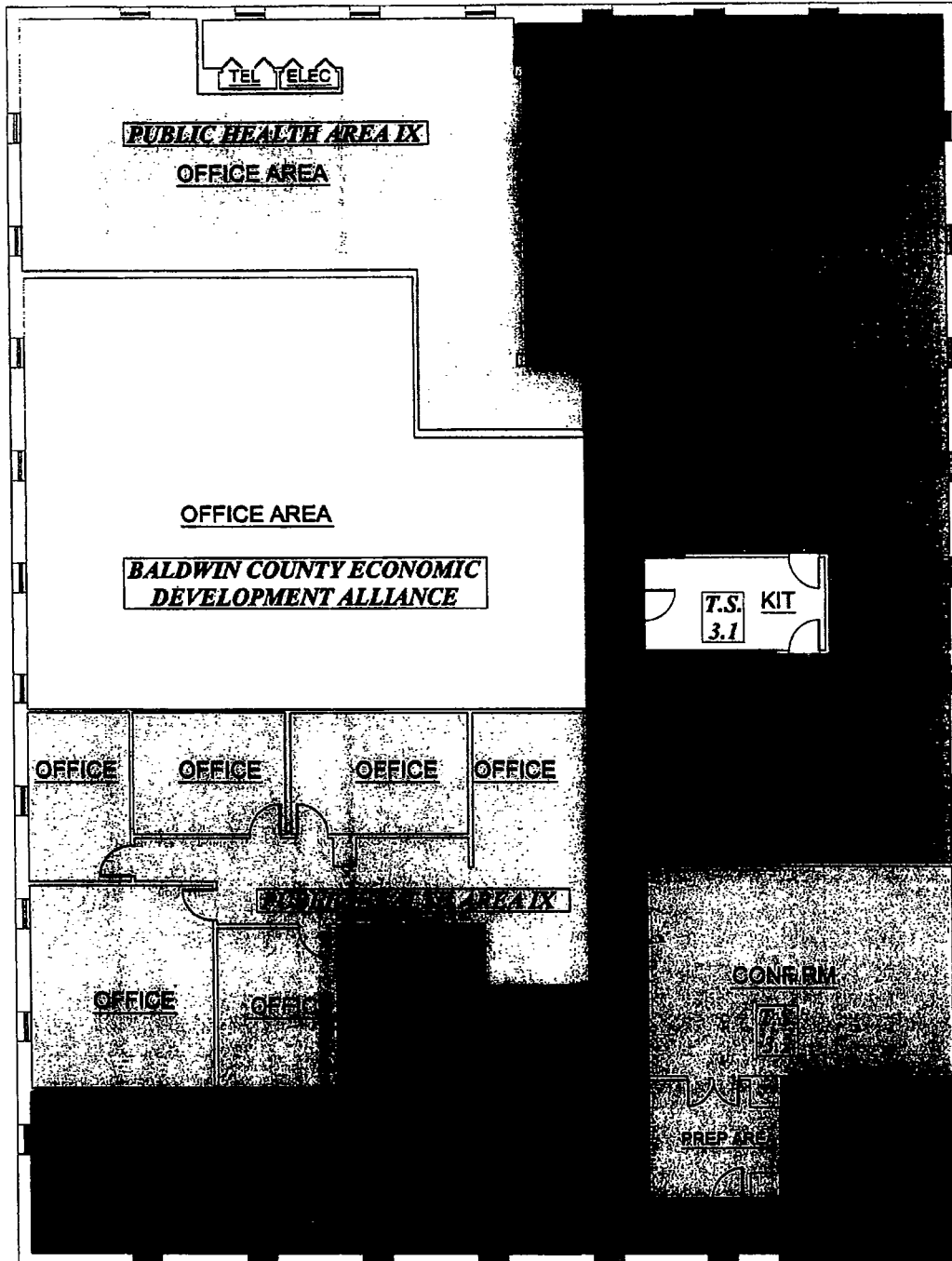
PREPARED FOR:
Regions Financial Corporation

PROJECT ID #
22070 HIGHWAY 59
ROBERTSDALE, AL

PROPOSED LEASE PLAN

THIRD FLOOR

(As Measured: March 2005)
(Last Updated: June 2005)



E SILVERHILL AVE

FLOOR SUMMARY	SQ.FT.
Total Rentable	11,231
Total Usable	8,339
R/U	1.3467
Floor Common	1,791
Building Common	28
Total Vertical	807

STATE HWY 59
0 5 10 15 20
SCALE
1/16" = 1'-0"

AREAS COMPUTED IN ACCORDANCE
WITH ANSI/BOMA Z65.1 (1996) STANDARD

* Space does not appear to be consistent
with rent roll report (undated).

Survey Accuracy: +/- 0.16 %

Suite #	Usable	Rentable
-	1,123	1,512
-	357	480
3.1	165	223
3.2	766	1,032
-	3,082	4,150
-	2,083	2,805
*	764	1,029



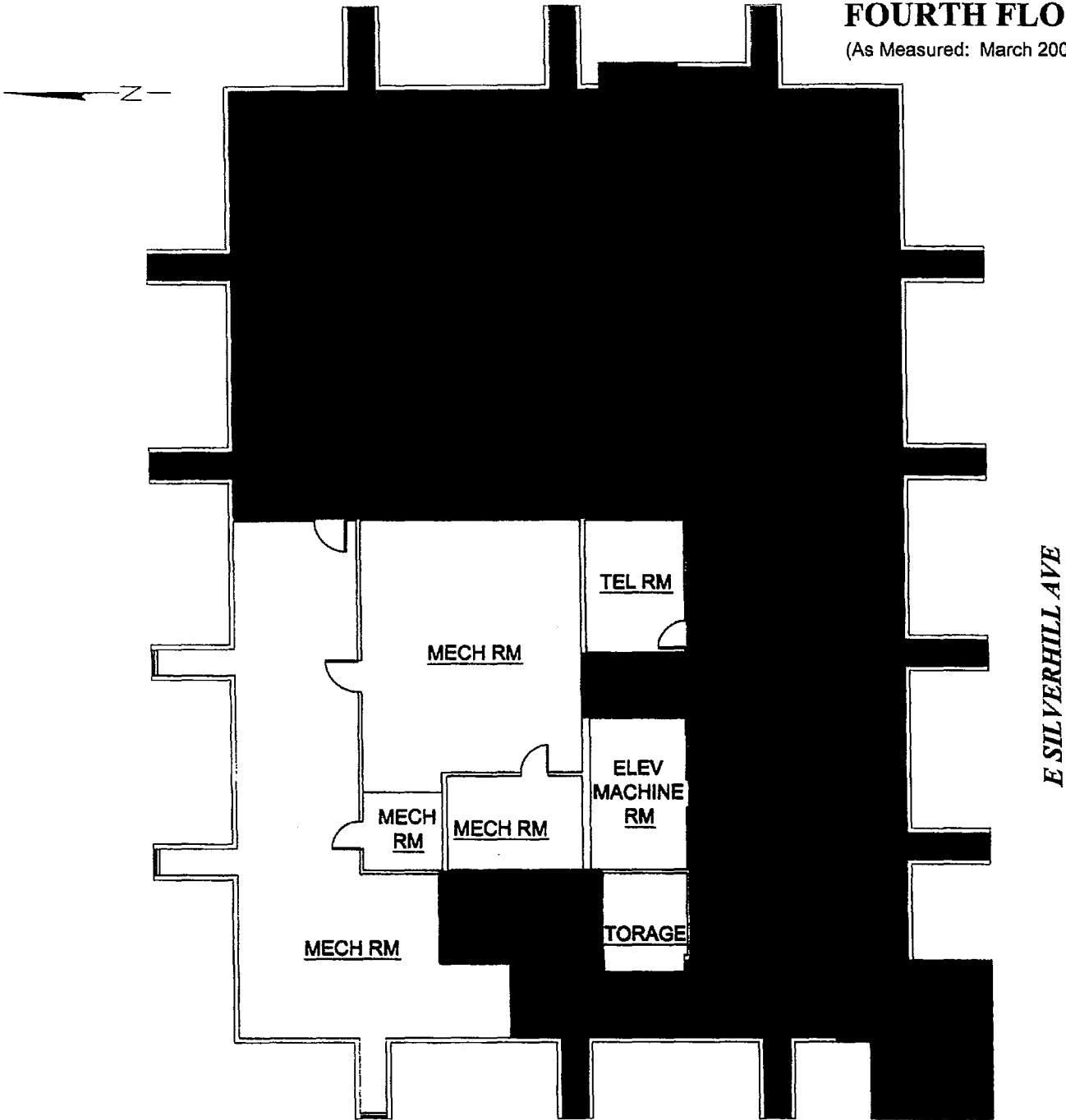
TEL: (888) 393-6655
FILE: 5-067 Bldg 118

PREPARED FOR:
Regions Financial Corporation

PROJECT ID #
22070 HIGHWAY 59
ROBERTSDALE, AL

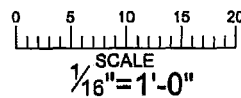
PROPOSED LEASE PLAN

FOURTH FLOOR
(As Measured: March 2005)



FLOOR SUMMARY	SQ.FT.
Total Rentable	5,589
Total Usable	4,693
R/U	1.1908
Floor Common	531
Building Common	2,529
Total Vertical	622

STATE HWY 59



Suite #	Usable	Rentable
4.1	4,693	5,589

Survey Accuracy: +/- 0.27 %

AREAS COMPUTED IN ACCORDANCE
WITH ANSI/BOMA Z65.1 (1996) STANDARD



TEL: (888) 393-6655
FILE: 5-067 Bldg 118

EXHIBIT A-1
TO
LEASE

[Legal Description of Property]

Legal Description

Record Legal:

From the Southwest corner of the Southeast quarter of Section 6, Township 6 South, Range 4 East, run thence East 38 feet and North 30 feet for a point of beginning; thence North 601 feet; thence North 89 degrees 51 minutes East 324 feet; thence South 00 degrees 17 minutes West 604 feet; thence West 321 feet to the point of beginning, which property is otherwise described as all of Block 16 in Oscar Johnson's subdivision of East Silverhill.

**SUBORDINATION,
NON-DISTURBANCE AND ATTORNMENT AGREEMENT**

THIS AGREEMENT made as of this _____, 20____, between _____, a _____ [company/corporation] (“_____”), having an address at _____ (together with its successors and assigns, collectively, “Lender”), and _____, a _____ [company/corporation/banking association], having an address at _____ (hereinafter called “Tenant”).

WITNESSETH:

WHEREAS, by that certain Lease Agreement effective as of _____, 20__ (the “Lease”) between First States Investors _____, LLC, a Delaware limited liability company (hereinafter called “Landlord”), as landlord, and Tenant, as tenant, Landlord leased to Tenant certain premises (the “Premises”) located in the property described in Exhibit A annexed hereto and made a part hereof (the “Property”); and

WHEREAS, Lender is about to make a loan to Landlord, which loan shall be secured by, among other things, that certain [Mortgage/Deed of Trust] dated as of _____, 20__ by Landlord to Lender (together with all amendments, renewals, increases, modifications, replacements, substitutions, extensions, spreaders and consolidations thereof and all re-advances thereunder and additions thereto, is referred to as the “Security Instrument”) encumbering the Property; and

WHEREAS, Lender and Tenant desire to confirm their understanding and agreement with respect to the Lease and the Security Instrument.

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained, Lender and Tenant hereby agree and covenant as follows:

1. Subject to Paragraph 2 below, the Lease, and all of the terms, covenants, provisions and conditions thereof (including, without limitation, any right of first refusal, right of first offer, option or any similar right with respect to the sale or purchase of the Property, or any portion thereof) is, shall be and shall at all times remain and continue to be subject and subordinate in all respects to the lien, terms, covenants, provisions and conditions of the Security Instrument and to all advances and re-advances made thereunder and all sums secured thereby. This provision shall be self-operative but Tenant shall execute and deliver any additional instruments which Lender may reasonably require to effect such subordination.

2. So long as (i) Tenant is not in default (beyond any period given in the Lease to Tenant to cure such default) in the payment of rent, percentage rent or additional rent or in the performance or observance of any of the other terms, covenants, provisions or conditions of the Lease on Tenant's part to be performed or observed, (ii) Tenant is not in default under this Agreement and (iii) the Lease is in full force and effect: (a) Tenant's possession of the Premises and Tenant's rights and privileges under the Lease, or any extensions or renewals thereof which may be effected in accordance with any option therefor which is contained in the Lease, shall not be diminished or interfered with by Lender, and Tenant's occupancy of the Premises shall not be disturbed by Lender for any reason whatsoever during the term of the Lease or any such extensions or renewals thereof and (b) Lender will not join Tenant as a party defendant in any action or proceeding to foreclose the Security Instrument or to enforce any rights or remedies of Lender under the Security Instrument which would cut-off, destroy, terminate or extinguish the Lease or Tenant's interest and estate under the Lease (except to the extent required so that Tenant's right to receive or set-off any monies or obligations owed or to be performed by any of Lender's predecessors-in-interest shall not be enforceable thereafter against Lender or any of Lender's successors-in-interest). Notwithstanding the foregoing provisions of this paragraph, if it would be procedurally disadvantageous for Lender not to name or join Tenant as a party in a foreclosure proceeding with respect to the Security Instrument, Lender may so name or join Tenant without in any way diminishing or otherwise affecting the rights and privileges granted to, or inuring to the benefit of, Tenant under this Agreement.

3. (A) After notice is given by Lender that the Security Instrument is in default and that the rentals under the Lease should be paid to Lender, Tenant will attorn to Lender and pay to Lender, or pay in accordance with the directions of Lender, all rentals and other monies due and to become due to Landlord under the Lease or otherwise in respect of the Premises. Such payments shall be made regardless of any right of set-off, counterclaim or other defense which Tenant may have against Landlord, whether as the tenant under the Lease or otherwise. In such event, Tenant shall have no liability to Landlord for any payments made in accordance with Lender's notice.

(B) In addition, if Lender (or its nominee or designee) shall succeed to the rights of Landlord under the Lease through possession or foreclosure action, delivery of a deed or otherwise, or another person purchases the Property or the portion thereof containing the Premises upon or following foreclosure of the Security Instrument or in connection with any bankruptcy case commenced by or against Landlord, then at the request of Lender (or its nominee or designee) or such purchaser (Lender, its nominees and designees, and such purchaser, and their

respective successors and assigns, each being a "Successor-Landlord"), Tenant shall attorn to and recognize Successor-Landlord as Tenant's landlord under the Lease and shall promptly execute and deliver any instrument that Successor-Landlord may reasonably request to evidence such attornment. Upon such attornment, the Lease shall continue in full force and effect as, or as if it were, a direct lease between Successor-Landlord and Tenant upon all terms, conditions and covenants as are set forth in the Lease. If the Lease shall have terminated by operation of law or otherwise as a result of or in connection with a bankruptcy case commenced by or against Landlord or a foreclosure action or proceeding or delivery of a deed in lieu, upon request of Successor-Landlord, Tenant shall promptly execute and deliver a direct lease with Successor-Landlord which direct lease shall be on substantially the same terms and conditions as the Lease (subject, however, to the provisions of clauses (i)-(v) of this paragraph 3(B)) and shall be effective as of the day the Lease shall have terminated as aforesaid. Notwithstanding the continuation of the Lease, the attornment of Tenant thereunder or the execution of a direct lease between Successor-Landlord and Tenant as aforesaid, Successor-Landlord shall not:

- (a) be liable for any previous act or omission of Landlord under the Lease;
- (b) be subject to any off-set, defense or counterclaim which shall have theretofore accrued to Tenant against Landlord;
- (c) be bound by any modification of the Lease or by any previous prepayment of rent or additional rent made more than one (1) month prior to the date same was due which Tenant might have paid to Landlord, unless such modification or prepayment shall have been expressly approved in writing by Lender;
- (d) be liable for any security deposited under the Lease unless such security has been physically delivered to Lender or Successor-Landlord; and
- (e) be liable or obligated to comply with or fulfill any of the obligations of the Landlord under the Lease or any agreement relating thereto with respect to the construction of, or payment for, improvements on or above the Premises (or any portion thereof), leasehold improvements, tenant work letters and/or similar items.

4. Tenant agrees that without the prior written consent of Lender, it shall not (a) amend, modify, terminate or cancel the Lease or any extensions or renewals thereof, (b) except as expressly provided in the Lease, tender a surrender of the Lease, (c) make a prepayment of any rent or additional rent more than one (1) month in advance of the due date thereof, or (d) subordinate or consent to the subordination of

the Lease to any lien subordinate to the Security Instrument. Any such purported action without such consent shall be void as against the holder of the Security Instrument.

5. (A) Tenant shall promptly notify Lender of any default by Landlord under the Lease and of any act or omission of Landlord which would give Tenant the right to cancel or terminate the Lease or to claim a partial or total eviction.

(B) In the event of a default by Landlord under the Lease which would give Tenant the right, immediately or after the lapse of a period of time, to cancel or terminate the Lease or to claim a partial or total eviction, or in the event of any other act or omission of Landlord which would give Tenant the right to cancel or terminate the Lease, Tenant shall not exercise such right (i) until Tenant has given written notice of such default, act or omission to Lender and (ii) unless Lender has failed, within thirty (30) days after Lender receives such notice, to cure or remedy the default, act or omission or, if such default, act or omission shall be one which is not reasonably capable of being remedied by Lender within such thirty (30) day period, until a reasonable period for remedying such default, act or omission shall have elapsed following the giving of such notice and following the time when Lender shall have become entitled under the Security Instrument to remedy the same (which reasonable period shall in no event be less than the period to which Landlord would be entitled under the Lease or otherwise, after similar notice, to effect such remedy, or longer than 60 days from notice to Landlord by Tenant), provided that Lender shall with due diligence give Tenant written notice of its intention to and shall commence and continue to, remedy such default, act or omission. If Lender cannot reasonably remedy a default, act or omission of Landlord until after Lender obtains possession of the Premises, Tenant may not terminate or cancel the Lease or claim a partial or total eviction by reason of such default, act or omission until the expiration of a reasonable period necessary for the remedy after the earlier of (i) the date that Lender secures possession of the Premises or (ii) the date that is one hundred eighty (180) days next following the end of Landlord's cure period under the Lease. To the extent Lender incurs any expenses or other costs in curing or remedying such default, act or omission, including, without limitation, attorneys' fees and disbursements, Lender shall be subrogated to Tenant's rights against Landlord.

(C) Notwithstanding the foregoing, Lender shall have no obligation hereunder to remedy such default, act or omission.

6. To the extent that the Lease shall entitle Tenant to notice of the existence of any mortgage and the identity of any mortgagee or any ground lessor, this

Agreement shall constitute such notice to Tenant with respect to the Security Instrument and Lender.

7. Upon and after the occurrence of a default under the Security Instrument, which is not cured after any applicable notice and/or cure periods, Lender shall be entitled, but not obligated, to exercise the claims, rights, powers, privileges and remedies of Landlord under the Lease and shall be further entitled to the benefits of, and to receive and enforce performance of, all of the covenants to be performed by Tenant under the Lease as though Lender were named therein as Landlord.

8. Anything herein or in the Lease to the contrary notwithstanding, in the event that a Successor-Landlord shall acquire title to the Property or the portion thereof containing the Premises, Successor-Landlord shall have no obligation, nor incur any liability, beyond Successor-Landlord's then interest, if any, in the Property, and Tenant shall look exclusively to such interest, if any, of Successor-Landlord in the Property for the payment and discharge of any obligations imposed upon Successor-Landlord hereunder or under the Lease, and Successor-Landlord is hereby released or relieved of any other liability hereunder and under the Lease. Tenant agrees that, with respect to any money judgement which may be obtained or secured by Tenant against Successor-Landlord, Tenant shall look solely to the estate or interest owned by Successor-Landlord in the Property, and Tenant will not collect or attempt to collect any such judgement out of any other assets of Successor-Landlord.

9. Notwithstanding anything to the contrary in the Lease, Tenant agrees for the benefit of Landlord and Lender that, except as permitted by, and fully in accordance with, applicable law, Tenant shall not generate, store, handle, discharge or maintain in, on or about any portion of the Property, any asbestos, polychlorinated biphenyls, or any other hazardous or toxic materials, wastes and substances which are defined, determined or identified as such (including, but not limited to, pesticides and petroleum products if they are defined, determined or identified as such) in any federal, state or local laws, rules or regulations (whether now existing or hereafter enacted or promulgated) or any judicial or administrative interpretation of any thereof, including any judicial or administrative interpretation of any thereof, including any judicial or administrative orders or judgments.

10. If the Lease provides that Tenant is entitled to expansion space, Successor-Landlord shall have no obligation nor any liability for failure to provide such expansion space if a prior landlord (including, without limitation, Landlord), by reason of a lease or leases entered into by such prior landlord with other tenants of the Property, has precluded the availability of such expansion space.

11. Except as specifically provided in this Agreement, Lender shall not, by virtue of this Agreement, the Security Instrument or any other instrument to which Lender may be a party, be or become subject to any liability or obligation to Tenant under the Lease or otherwise.

12. Tenant agrees to enter into a subordination, non-disturbance and attornment agreement with any lender which shall succeed Lender as lender with respect to the Property, or any portion thereof, provided such agreement is substantially similar to this Agreement.

13. (A) Any notice required or permitted to be given by Tenant to Landlord shall be simultaneously given also to Lender, and any right to Tenant dependent upon notice shall take effect only after notice is so given. Performance by Lender shall satisfy any conditions of the Lease requiring performance by Landlord, and Lender shall have a reasonable time to complete such performance as provided in Paragraph 5 hereof.

(B) All notices or other communications required or permitted to be given to Tenant or to Lender pursuant to the provisions of this Agreement shall be in writing and shall be deemed given only if mailed by United States registered mail, postage prepaid, or if sent by nationally recognized overnight delivery service (such as Federal Express or United States Postal Service Express Mail), addressed as follows: to Tenant, at the address first set forth above, Attention: _____, with a copy to _____, _____, Attention: _____; to Lender at the address first set forth above, Attention: _____; or to such other address as such party may hereafter designate by notice delivered in accordance herewith. All such notices shall be deemed given three (3) business days after delivery to the United States Post office registry clerk if given by registered mail, or on the next business day after delivery to an overnight delivery courier.

14. This Agreement may be modified only by an agreement in writing signed by the parties hereto, or their respective successors-in-interest. This Agreement shall inure to the benefit of and be binding upon the parties hereto, and their respective successors and assigns. The term "Landlord" shall mean the then holder of the landlord's interest in the Lease. The term "person" shall mean an individual, joint venture, corporation, partnership, trust, limited liability company, unincorporated association or other entity. All references herein to the Lease shall mean the Lease as modified by this Agreement and to any amendments or modifications to the Lease which are consented to in writing by Lender. Any inconsistency between the Lease

and the provisions of this Agreement shall be resolved, to the extent of such inconsistency, in favor of this Agreement.

15. Tenant hereby represents to Lender as follows:

(a) The Lease is in full force and effect and has not been further amended.

(b) There has been no assignment of the Lease by Tenant or subletting of any portion of the Premises.

(c) There are no oral or written agreements or understandings between Landlord and Tenant relating to the Premises or the Lease transaction except as set forth in the Lease.

(d) The execution of the Lease was duly authorized, and to the best of Tenant's knowledge, there exists no default (beyond any applicable grace period) on the part of either Tenant or Landlord under the Lease.

(e) There has not been filed by or against nor to the best of the knowledge and belief of Tenant is there threatened against Tenant, any petition under the bankruptcy laws of the United States.

(f) To Tenant's actual knowledge, there is no present assignment, hypothecation or pledge of the Lease or rents accruing under the Lease by Landlord, other than pursuant to the Security Instrument.

16. Whenever, from time to time, reasonably requested by Lender (but not more than two (2) times during any calendar year), Tenant shall execute and deliver to or at the direction of Lender, and without charge to Lender, one or more written certifications, in a form acceptable to Tenant, of all of the matters set forth in Paragraph 15 above, and any other information the Lender may reasonably require to confirm the current status of the Lease.

17. BOTH TENANT AND LENDER HEREBY IRREVOCABLY WAIVE ALL RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM ARISING OUT OF OR RELATING TO THIS AGREEMENT.

18. This Agreement shall be governed by and construed in accordance with the laws of the State in which the Property is located.

19. This Agreement may be executed in counterparts, each of which shall be an original and all of which, when taken together, shall constitute one binding Agreement.

IN WITNESS WHEREOF, the parties hereto have duly executed this Subordination, Non-Disturbance and Attornment Agreement as of the day and year first above written.

[LENDER]

a _____ [company/corporation/banking association]

By: _____

Name: _____

Title: _____

Witnessed by:

Print Name:

[TENANT]

a _____ [company/corporation/banking association]

By: _____

Name: _____

Title: _____

Witnessed by:

Print Name:

Landlord's Joinder

The undersigned hereby joins in the execution of this Subordination, Non-Disturbance and Attornment Agreement for the sole and limited purpose of evidencing Landlord's agreement to be bound by the provisions of the last sentence of Paragraph 3(A) hereof.

First States Investors _____, LLC,
a Delaware limited liability company

By: _____

Name: _____

Title: _____

Witnessed by:

Print Name:

[ADD APPROPRIATE STATE ACKNOWLEDGEMENTS]

Exhibit A

Legal Description of Property

EXHIBIT C
TO
LEASE

[Form of Tenant Estoppel Letter]

FORM OF ESTOPPEL CERTIFICATE

DATED: as of _____, 20__

[Lender]

FIRST STATES INVESTORS ____, LLC,
and its successors and/or assigns
c/o First States Group, L.P.
1725 The Fairway
Jenkintown, Pennsylvania 19046

RE: Premises at _____

Ladies and Gentlemen:

As the tenant under that certain lease (the "Lease") dated as of _____, 20__ between FIRST STATES INVESTORS ____, LLC ("Landlord") and the undersigned ("Tenant") for certain premises more particularly described in the Lease (the "Leased Premises"), Tenant hereby acknowledges the truth and accuracy of the following statements pertaining to the Lease as of the date hereof:

1. Tenant has accepted and is in full possession of the Leased Premises, including all improvements, additions and alterations thereto required to be made by Landlord under the Lease.
2. Tenant is not in default of its obligations under the Lease, is paying full rent stipulated therein with no offset, defense or claim of any kind and Tenant has not assigned, sublet, transferred or hypothecated its interest under the Lease.
3. Landlord is not presently in default under any of the terms, covenants or provisions of the Lease, nor has any event occurred which with the passage of time and/or the giving of notice (if required by the Lease) would constitute an event of default under the Lease.
4. Landlord has satisfactorily complied with all of the requirements and conditions precedent to the commencement of the term of the Lease as specified in said Lease, including, without limitation, completion of any required tenant improvements. There are no unfunded tenant obligations of Landlord under the Lease.

5. The current monthly payment on account of Annual Base Rental payable by Tenant under the Lease is \$ _____, and Annual Base Rental has been paid through _____, 20__.
6. Except as provided in the Lease, there are no rent abatements or free rent periods now or in the future.
7. No rent (including expense reimbursements), other than for the current month, has been paid more than one (1) month in advance.
8. No security deposit has been paid by Tenant to Landlord under the Lease.
9. The Commencement Date occurred on _____, 20__, and the term of the Lease is currently scheduled to expire on _____, 20__. Tenant has ___ unexercised options to renew the Lease for up to ___ successive periods of ___ years each. Tenant does not have any right to renew, extend or terminate the term of the Lease except as expressly provided in the Lease.
10. Tenant hereby acknowledges that (i) the Lease is in full force and effect and is valid and enforceable in accordance with its terms against Tenant, (ii) there have been no modifications or amendments to the Lease, except as follows: _____ (iii) the Lease represents the entire agreement between Landlord and Tenant with respect to the Leased Premises, except for the provisions of that certain Purchase, Sale and Lease-Back Agreement, dated May 10, 2005, between the undersigned and Regions Financial Corporation, collectively as seller, and Landlord (as successor by assignment from First States Group, L.P.), as purchaser, which expressly survive Closing thereunder, and that certain letter agreement dated June __, 2005, between the undersigned, Regions Financial Corporation, Landlord, and First States Investors _____, LLC, (iv) Tenant has no notice of prior assignments, hypothecation or pledge of rents or of the Lease, and (v) notice of the assignment of Landlord's interest in the Lease may be given by mail, at the Leased Premises, or as otherwise directed in the Lease.
11. A true and complete copy of the Lease is attached hereto as Exhibit A.
12. The execution and delivery of this certificate by Tenant does not require any consent, vote or approval which has not been given or taken.
13. This certificate may not be changed, waived or discharged orally, but only by an instrument in writing.
14. Except as expressly set forth in the Lease, Tenant does not have any right to lease additional space, reduce the size of the Leased Premises, purchase the Leased Premises and/or improvements thereon, or any other rights or options with respect to the Leased Premises.

15. This certificate shall be binding upon Tenant and shall inure to the benefit of Landlord, any lender making or proposing to make a loan secured by the Leased Premises or any portion thereof, any purchaser of all or any portion of the Leased Premises, and the respective successors and assigns of all of the foregoing.
16. This certificate shall not have the effect of modifying any provision of the Lease.

Capitalized terms not defined herein shall have the same meaning as set forth in the Lease. This certificate is executed and delivered by the undersigned with the knowledge that Landlord, any lender making or proposing to make a loan secured by the Leased Premises or any portion thereof, any purchaser of all or any portion of the Leased Premises, and the respective successors and assigns of all of the foregoing, may rely upon the statements and agreements contained herein. If any such loan becomes the subject of a securitization, this certificate may also be relied upon by the credit rating agency, if any, rating the securities collateralized by such loan as well as any issuer of such securities, and any servicer and/or trustee acting in respect of such securitization.

TENANT:

Witness:

Name:

By: _____
Name:
Title:

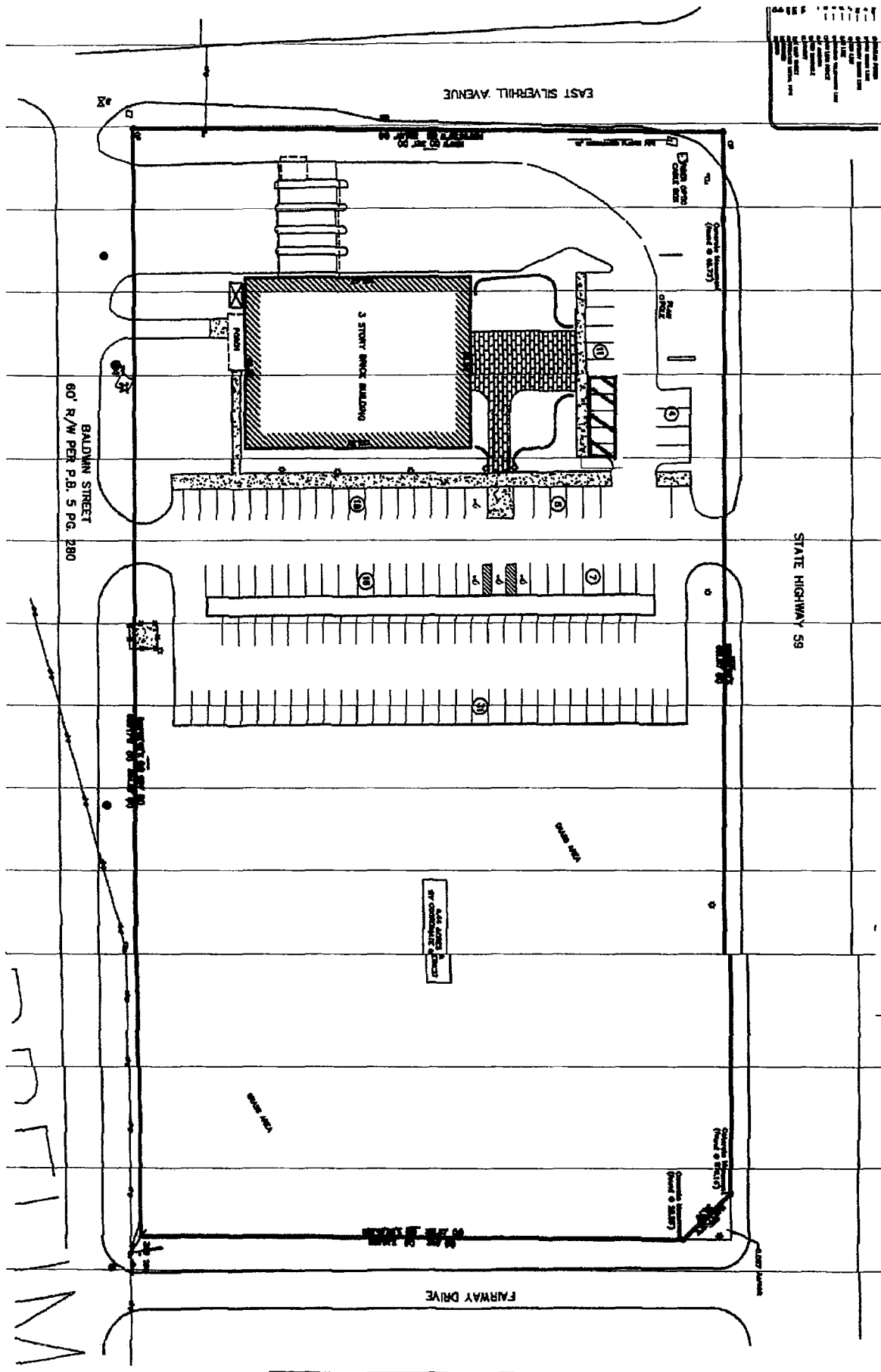
Exhibit A


Lease

EXHIBIT D
TO
LEASE

[Parking Plan]

Exhibit D



 = Reserved Customer
 Parking
 SPACES

W
 T
 I
 N

**COMMISSION RECOMMENDATION
BALDWIN COUNTY COMMISSION**

AGENDA ITEM NUMBER: L7

COMMISSION MEETING DATE: August 15, 2006

TITLE/SUBJECT: Offer to Purchase Robertsdale Regions Bank Building

TO: The Honorable Members of the Baldwin County Commission
THRU: Michael L. Thompson, County Administrator *MLT 8/14/06*
FROM: Finance Chairman, Finance Vice-Chairman & Locke Williams
DATE: August 14, 2006

STAFF RECOMMENDATION:

1. Authorize offer to purchase the Robertsdale Regions Bank Building for \$4 million, subject to structural analysis and other building-related due diligence matters satisfactory to the County within twenty days of offer acceptance, and subject to County underwriters indicating that long term financing for the purchase and renovation can proceed.
2. Further:
 - a. authorize the remittance \$100,000 in earnest money with the offer to purchase,
 - b. authorize staff to negotiate the most advantageous closing terms possible for the purchase,
 - c. closing to occur no later than forty-five days after offer acceptance, and
 - d. authorize the Chairman to execute such documents and closing documents upon review of Chief Counsel to effect the purchase and closing.

PREVIOUS COMMISSION ACTION: yes _____ no X **Date:** _____

BACKGROUND: The entire block of the Robertsdale Regions Bank Building is currently for sale for \$4 million, through Auner & Blanchard Realty of Gulf Shores. The Building is presently owned by First States Investors 4200 LLC, a Texas-based Real Estate Investment Trust. The Revenue Commissioner's Office presently values the Building and land at \$5.5 million. The Building was constructed around 1979.

Purchasing the Regions Building can be in lieu of three Series 2006-A Warrant construction projects, such three projects and amounts borrowed on Series 2006-A being 1) Sheriff's Department Building in Robertsdale Addition \$1,170,000, 2) the Highway Administration Building in Silverhill \$1,200,000 and 3) the Central Annex Office Building \$1,700,000. These three amounts total \$4,070,000.

The combined square footage of these three buildings is approximately 26,700 square feet, while the Regions Building is 38,020 square feet of "rentable area."

If purchased, the Regions Building would come with Regions, State DHR and the Baldwin County Economic Alliance as lessees. Regions currently leases the ground floor, but plans to reduce its square footage to roughly two-thirds of the ground floor in the near future. State DHR leases the entire 2nd floor and about 2,200 square feet on the 3rd floor, but will move out when the County constructs the DHR Building on the grounds of Central Annex. The Alliance currently leases about 2,800 square feet of the 3rd floor. Combined annual rent is presently \$259,467.12 according to documents provided by the realtor.

To finance the project, the amount to purchase the Regions property and to renovate the Building would need to be included in the upcoming Series 2006-C warrant issue. The portion of the building attributable to private activities would be borrowed taxable, and the remainder would be borrowed nontaxable.

Formal reallocation of the abovementioned three Series 2006-A projects would also need to occur. Should the Commission approve moving forward on the Regions purchase, the Clerk/Treasurer will have Agenda Action next meeting for Commission consideration to reallocate the three Series 2006-A projects to overruns on the Wilderness, Bay Minette Courthouse and Central Annex projects which are also Series 2006-A projects.

FINANCIAL IMPACT: N/A _____

1. Total cost of recommendation: \$ 4 million, plus closing
& renovation costs
2. Are the funds budgeted for this recommendation? **yes** _____ **no** X _____
If not, why not: project not presently specifically authorized
3. Budget line item to be used: 2006-C warrant proceeds Balance remaining in
the line item after recommended expenditure: \$ _____
4. Will the recommendation create a need for continued funding which is not
included in the current budget? **yes** _____ **no** X _____
If yes, how will this funding requirement be met in the future?
Include debt service & operations in base line budget

Budget Manager Approval: K. Baggett (R) Date: 8/14/06

LEGAL IMPACT: N/A _____

1. Are any legal documents required to be executed if this recommendation is approved? **yes** _____ **no** X
 2. Have all required legal documents been reviewed and attached to this recommendation? **yes** _____ **no** X
 3. If not, when will the necessary legal documents be developed and approved?
Legal will assist with purchase & closing documents. Bond Counsel will develop Series 2006-C Warrant documents
- Review and Approval by Counsel:** _____
Date: _____

POLICY IMPACT: N/A _____ X

1. Is the proposed recommendation consistent with Commission policy?
yes _____ **no** _____
2. Which Commission policy is applicable to this recommendation?

3. If an exception to Commission policy is required, what is the justification for this exception?

PERSONNEL IMPACT: N/A _____ X

1. Are any additional positions or changes in existing positions required by the recommendation? **yes** _____ **no** _____
If yes, describe additions or changes needed: _____
- _____
Personnel Director: _____ **Date:** _____

IMPLEMENTATION:

1. Department and individual responsible for follow up activities on recommendation: Accounting/Locke Williams
2. Specific action/actions required as follow up: cut check for earnest money; Coordinate on purchase, closing and warrant documents
3. Are other Departments/Individuals necessary to complete the follow up activities? If so specify: Legal & Bond Counsel.

ALTERNATIVES:

- 1.
- 2.

ATTACHMENTS: **Auner & Blanchard Realty For Sale Notice.**
Revenue Commissioner Appraisal Document.

**Regions Building floor plans.
Building Income Document.
Building Operating Expenses Document.
Building Area Analysis Document.**

FORM REVISION DATE: August 14, 2006 – lgr, VERSION #8

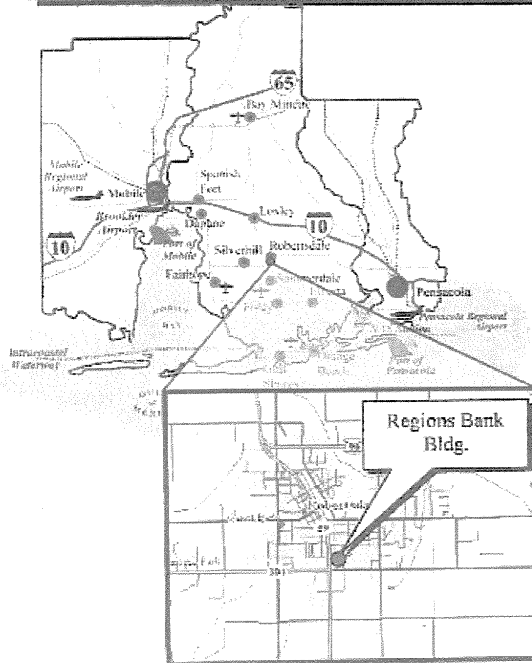
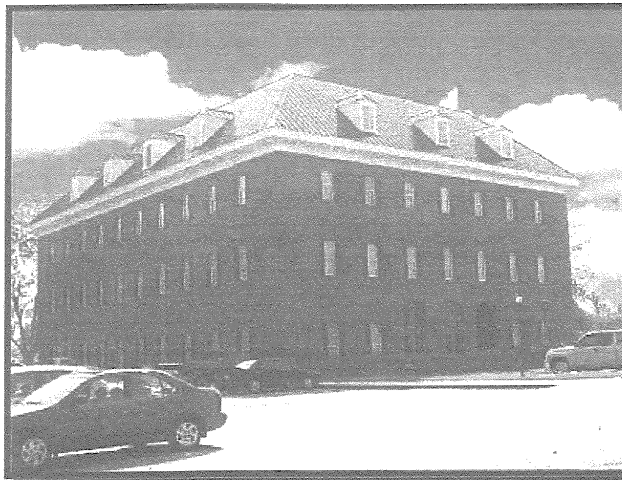
**Section
10E**

LIST PRICE \$4,000,000.00

Available Building

Regions Bank Building

**REGIONS BANK BUILDING
- 38,189 SQUARE FEET -
ROBERTSDALE, ALABAMA**



Location:	22070 Highway 59
Office Class:	B
Number of Floors:	4
Distance to Interstate:	I-10: 10 Miles I-65: 33 Miles
Space Utilization	
Total:	38,189 Square Feet
Available:	6,500 Square Feet
Ceiling Height:	9 Feet
Construction:	Brick, Shingle Roof
Dimensions:	123' x 92'
Parking Space:	100 Spaces
Telecommunications:	Cu/Rel Fiber along AL 59
Distance to POP:	8.5 Miles
Distance to Nearest Airport:	Mobile Regional Airport: 35 Miles
Distance to Nearest Hotel:	8 Miles
Distance to Nearest Developer:	1/4 Mile



**AUNER & BLANCHARD
REALTY**
FL AL MI TN
EACH STATE REPRESENTATIVE LICENSED

Joe C. Skipper
Orange Beach / Broker
License of Comp. Real Estate Lic.
4318 Lander Lane, Suite A
Orange Beach, AL 36567
(251) 968-2624 (office)
(251) 769-8244 (cell)
(251) 968-3157 (fax)
jcskipper@aunreal.com



Baldwin County Revenue Commissioner

Copyright 2000

Property Appraisal Link

BALDWIN COUNTY, AL

Current Date 8/14/2006

OWNER INFORMATION

PARCEL 48-03-06-4-003-018.000 **PPIN** 001683 **TAX DIST** 10
NAME FIRST STATES INVESTORS 4200 L L C
ADDRESS FIRST STATES INVESTORS
 C/O BURR WOLFF LP
 P O BOX 27713
 HOUSTON, TX 77227

DEED TYPE IN **BOOK** 0000 **PAGE** 0907651

DESCRIPTION

525'(S) X 85'(S) IRR EAST SIL VERHILL BLK 16 LOTS 1-14 LOTS 1
 5 & 16 LESS RD R/W LOTS 17-24 & 25 LESS RD R/W'S ALL VACATED
 15' ALLEYS IN BLK 16 EAST SIL VERHILL SUB IN THE CITY OF ROB
 ERTSDALE SEC 6-T6S-R4E (WD) IN902969

PROPERTY INFORMATION

PROPERTY ADDRESS US HWY 59
NEIGHBORHOOD 48/59NC
PROPERTY CLASS CO **SUB CLASS** NON
SUBDIVISION 05ES **SUB DESC** EAST SIL VERHILL
LOT 1-25 BLOCK 16
LOT DIMENSION 525SX85S **ZONING** B-2
COMMENTS BALDWIN COUNTY FEDERAL SAVINGS

PROPERTY VALUES

LAND: 600000 **CLASS 1:** **TOTAL ACRES:**
BUILDING: 4957800 **CLASS 2:** 5557800 **TIMBER ACRES:**
 ===== **CLASS 3:**
TOTAL PARCEL VALUE: 5557800

DETAIL INFORMATION

<u>TYPE</u>	<u>REF METHOD</u>	<u>DESCRIPTION</u>	<u>LAND USE</u>	<u>TC</u>	<u>Hs</u>	<u>Pn</u>	<u>VALUE</u>
LAND	1 BV BS-600,000	X	6110	2	N	N	600000
BLDG	1 C 611	BANK		2	N	N	4917700
BLDG	2 O 34 PASP3	PAVING, ASPHALT, 3 1/2"		2	N	N	12400
BLDG	3 O 34 PCBRS	PAVEMENT, CONCRETE BRICK		2	N	N	8100
BLDG	4 O 44 WBR08	WALL, BRICK 8"		2	N	N	4300
BLDG	5 O 34 PCR06	PAVING, CONCRETE REINFORC		2	N	N	4100
BLDG	6 O 34 CSHTR	PAVEMENT, CURBING, SHORT-R		2	N	N	3000
BLDG	7 O 34 CLNGR	PAVEMENT, CURBING, LONG-RU		2	N	N	2000
BLDG	8 O 34 CSHTR	PAVEMENT, CURBING, SHORT-R		2	N	N	6200

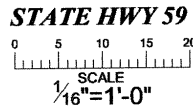
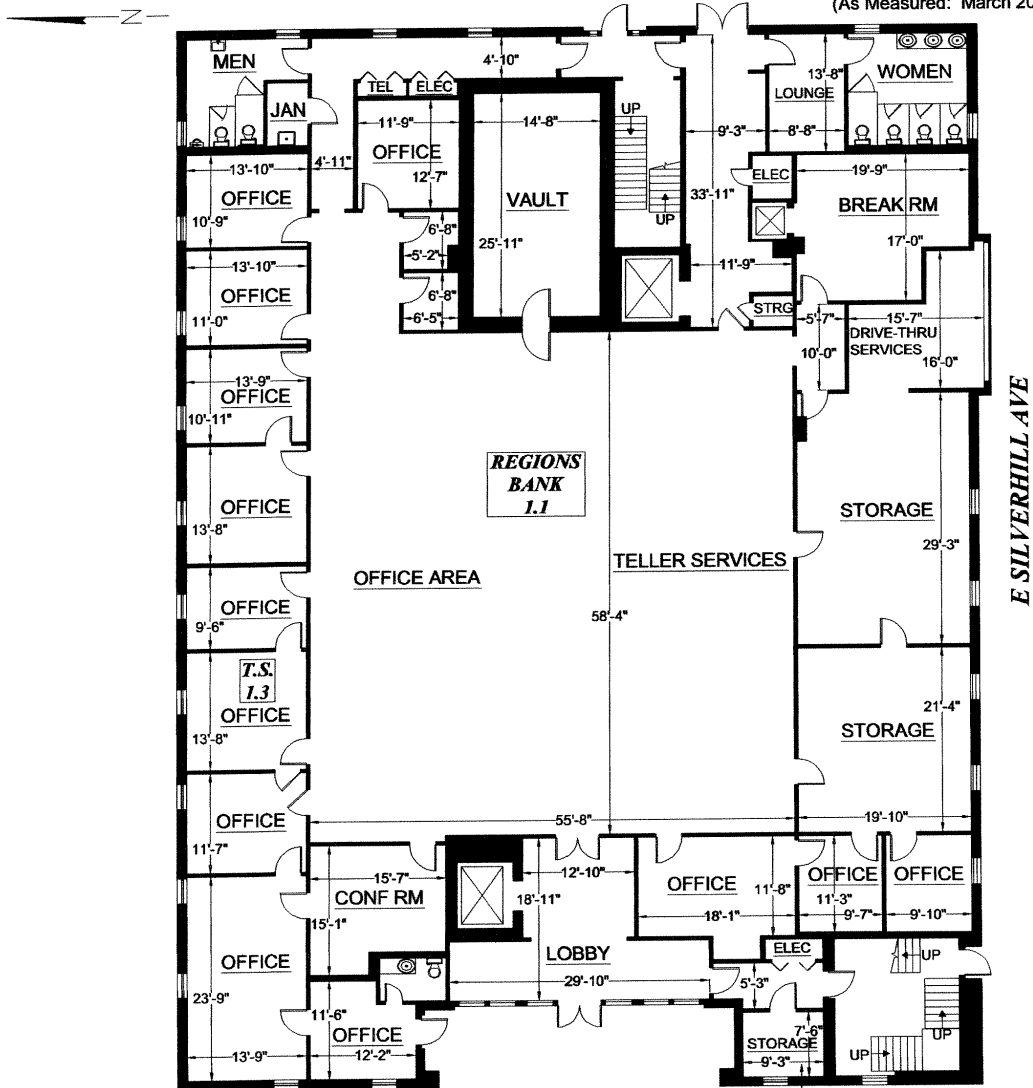
PREPARED FOR:
Regions Financial Corporation

PROJECT ID #
22070 HIGHWAY 59
ROBERTSDALE, AL

FLOOR PLAN

FIRST FLOOR

(As Measured: March 2005)



REGIONS
BANK
1.2



Survey Accuracy: +/- 0.20 %

TEL: (888) 393-6655
FILE: 5-067 Bldg 118

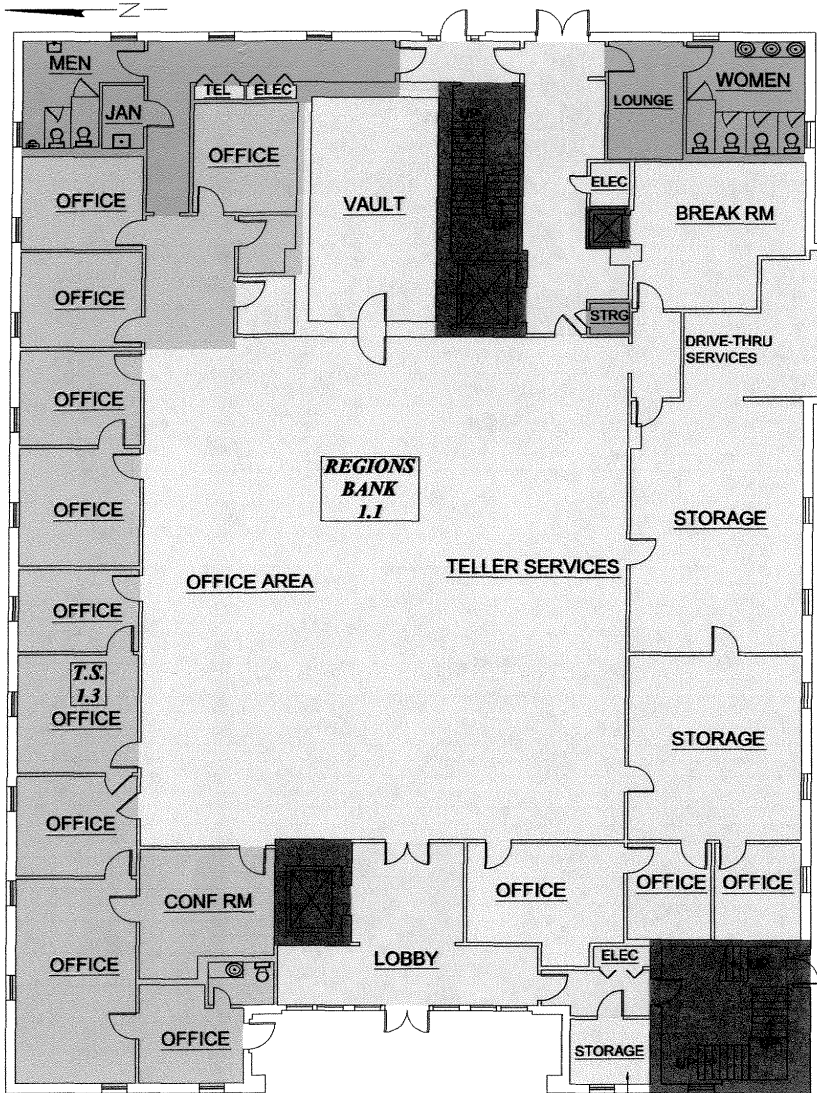
PREPARED FOR:
Regions Financial Corporation

PROJECT ID #
22070 HIGHWAY 59
ROBERTSDALE, AL

PROPOSED LEASE PLAN

FIRST FLOOR

(As Measured: March 2005)

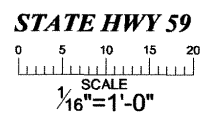


E SILVERHILL AVE

BUILDING SUMMARY		SQ.FT.
Gross Building Area		42,435
Total Rentable		38,020
Total Usable		29,483
Total Floor Common		5,068
Total Building Common		3,469
Total Vertical		2,972

FLOOR SUMMARY		SQ.FT.
Total Rentable		9,935
Total Usable		8,237
R/U		1.2061
Floor Common		797
Building Common		885
Total Vertical		756

Suite #	Usable	Rentable
1.1	5,857	7,064
1.2	73	88
1.3	2,308	2,783



REGIONS
BANK
1.2

Survey Accuracy: +/- 0.20 %

AREAS COMPUTED IN ACCORDANCE
WITH ANSIBOMA 265.1 (1996) STANDARD



TEL: (888) 393-6655
FILE: 5-067 Bldg 118

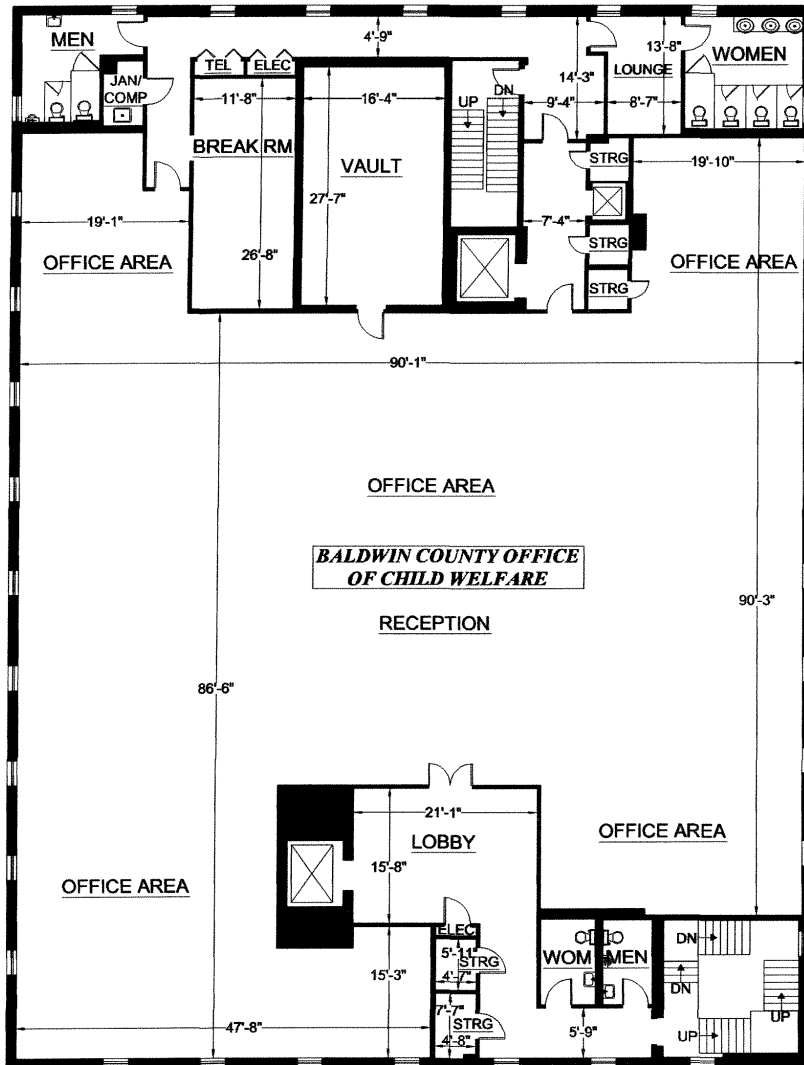
PREPARED FOR:
Regions Financial Corporation

PROJECT ID #
22070 HIGHWAY 59
ROBERTSDALE, AL

FLOOR PLAN

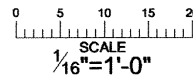
SECOND FLOOR

(As Measured: March 2005)



E SILVERHILL AVE

STATE HWY 59



Survey Accuracy: +/- 0.16 %

TEL: (888) 393-6655
FILE: 5-067 Bldg 118

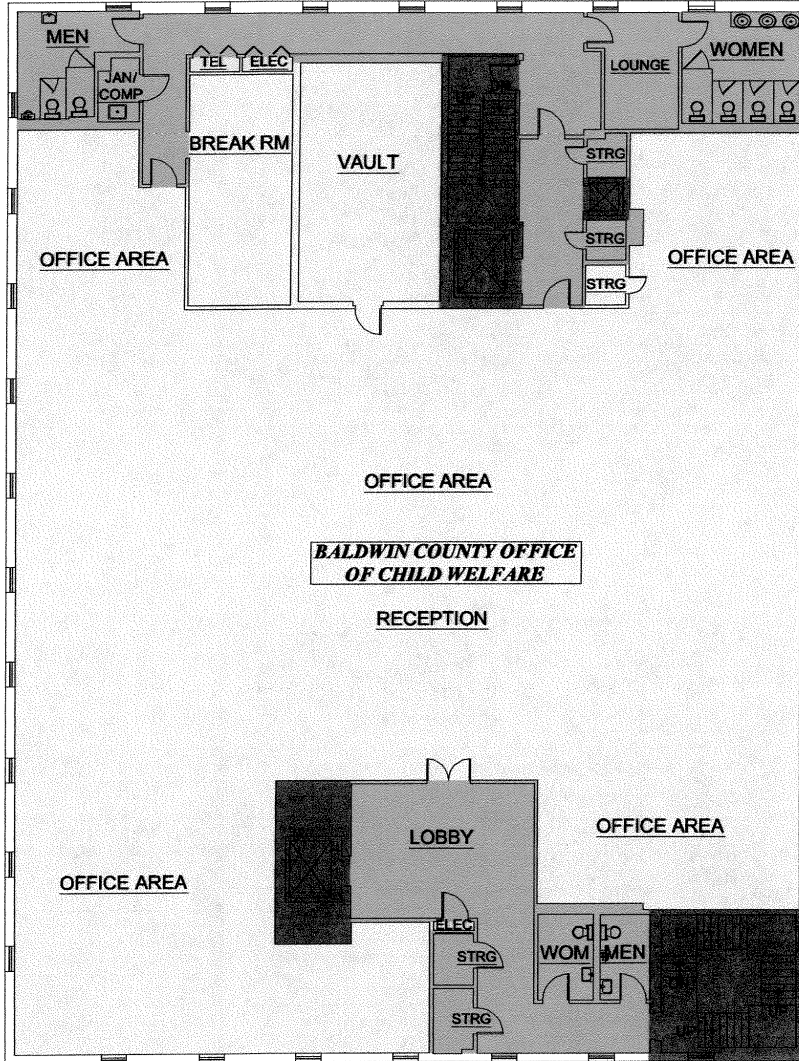
PREPARED FOR:
Regions Financial Corporation

PROJECT ID #
22070 HIGHWAY 59
ROBERTSDALE, AL

PROPOSED LEASE PLAN

SECOND FLOOR

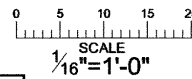
(As Measured: March 2005)



FLOOR SUMMARY	SQ.FT.
Total Rentable	11,266
Total Usable	8,213
R/U	1,3716
Floor Common	1,949
Building Common	27
Total Vertical	787

Survey Accuracy: +/- 0.16 %

STATE HWY 59



Suite #	Usable	Rentable
-	8,213	11,266

AREAS COMPUTED IN ACCORDANCE
WITH ANS/BOMA Z65.1 (1996) STANDARD



TEL: (888) 393-6655
FILE: 5-067 Bldg 118

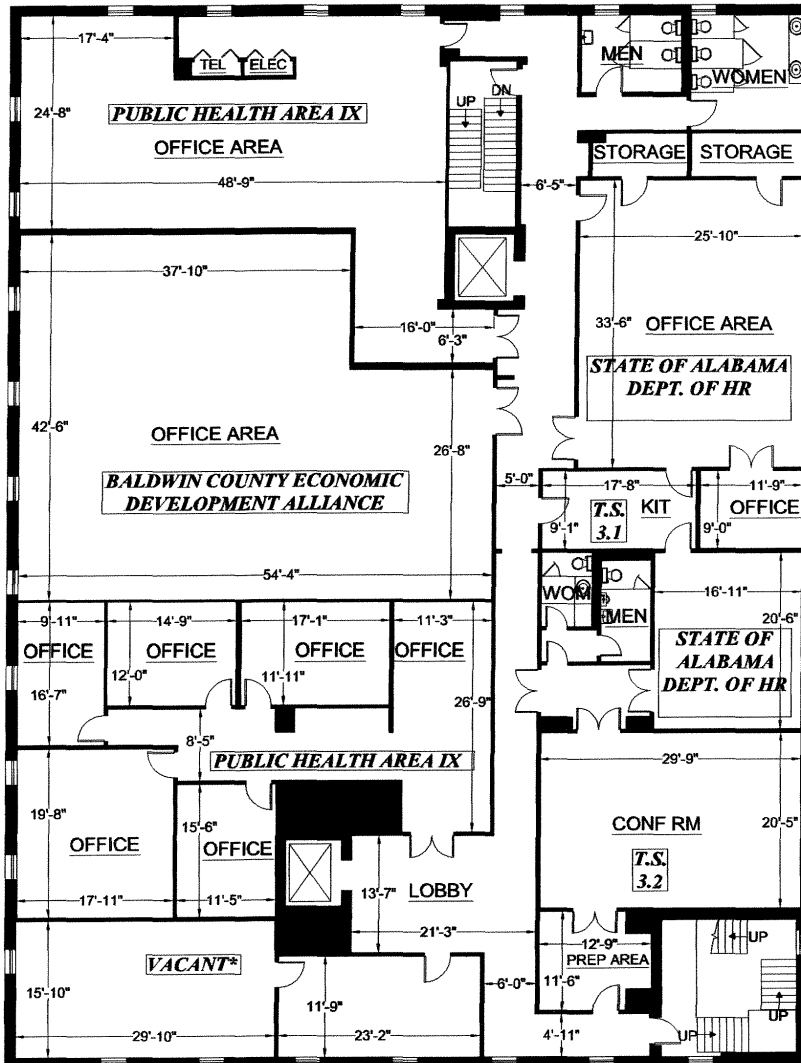
PREPARED FOR:
Regions Financial Corporation

PROJECT ID #
22070 HIGHWAY 59
ROBERTSDALE, AL

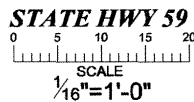
FLOOR PLAN

THIRD FLOOR

(As Measured: March 2005)
(Last Updated: June 2005)



E SILVERHILL AVE



Survey Accuracy: +/- 0.16 %



TEL: (888) 393-6655
FILE: 5-067 Bldg 118

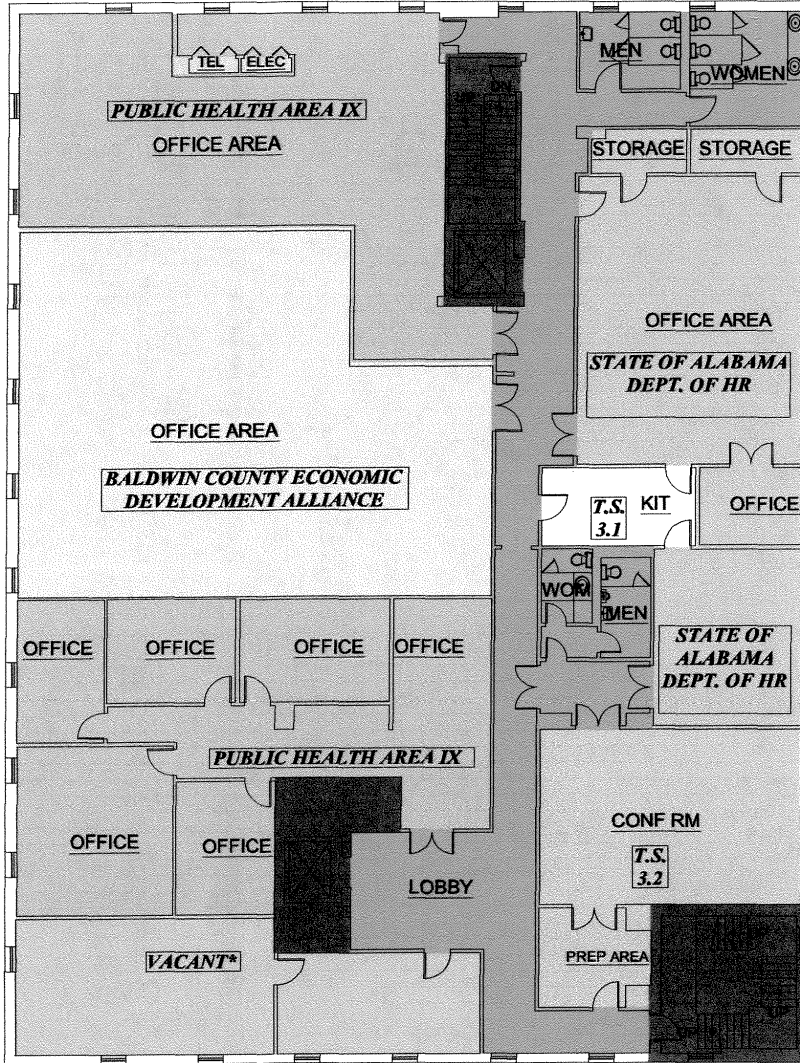
PREPARED FOR:
Regions Financial Corporation

PROJECT ID #
22070 HIGHWAY 59
ROBERTSDALE, AL

PROPOSED LEASE PLAN

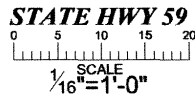
THIRD FLOOR

(As Measured: March 2005)
(Last Updated: June 2005)



E SILVERHILL AVE

FLOOR SUMMARY	SQ.FT.
Total Rentable	11,231
Total Usable	8,339
R/U	1.3467
Floor Common	1,791
Building Common	28
Total Vertical	807



AREAS COMPUTED IN ACCORDANCE WITH ANSI/BOMA Z65.1 (1996) STANDARD

* Space does not appear to be consistent with rent roll report (undated).

Survey Accuracy: +/- 0.16 %

Suite #	Usable	Rentable
-	1,123	1,512
-	357	480
3.1	165	223
3.2	766	1,032
-	3,082	4,150
-	2,083	2,805
*	764	1,029



TEL: (888) 393-6655
FILE: 5-067 Bldg 118

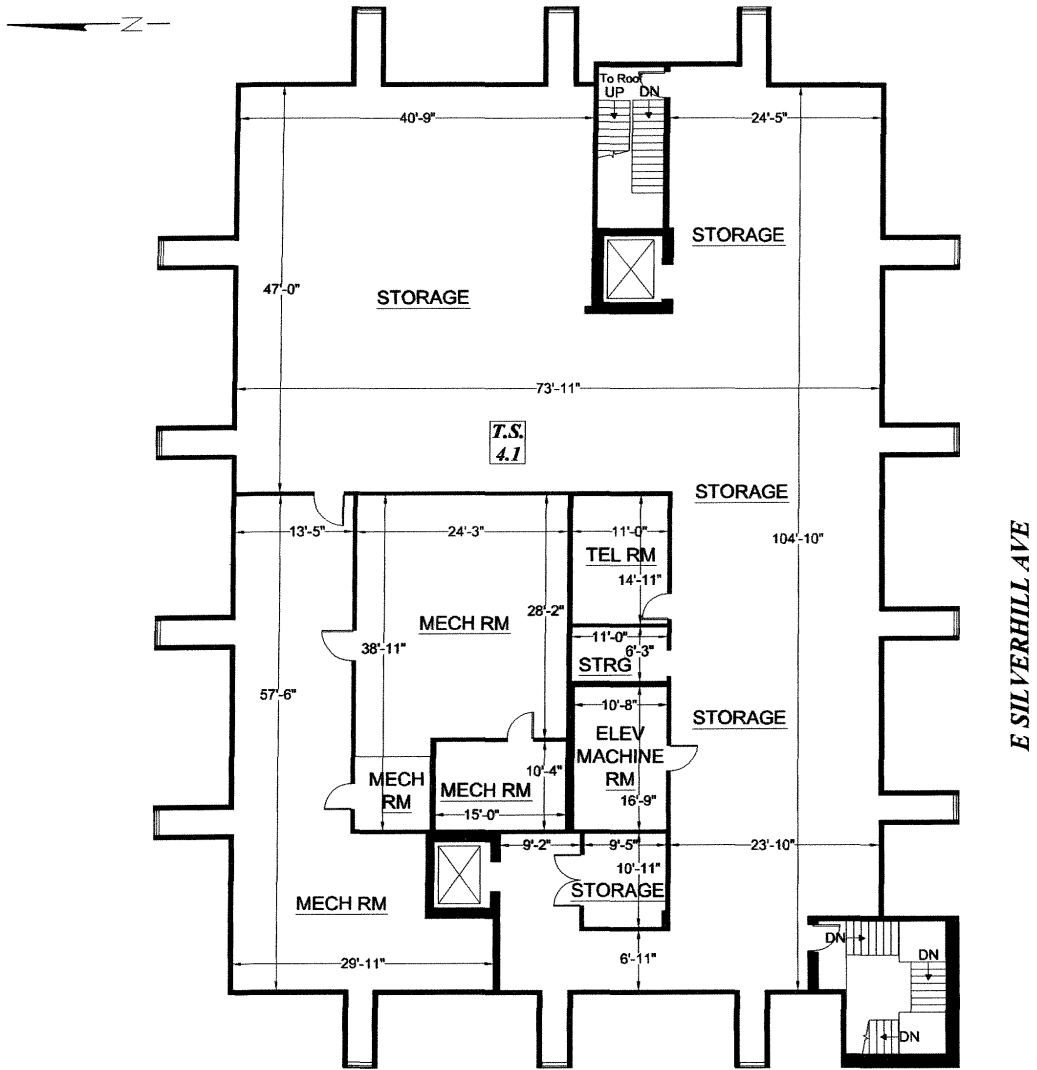
PREPARED FOR:
Regions Financial Corporation

PROJECT ID #
22070 HIGHWAY 59
ROBERTSDALE, AL

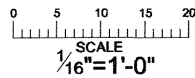
FLOOR PLAN

FOURTH FLOOR

(As Measured: March 2005)



STATE HWY 59



Survey Accuracy: +/- 0.27 %



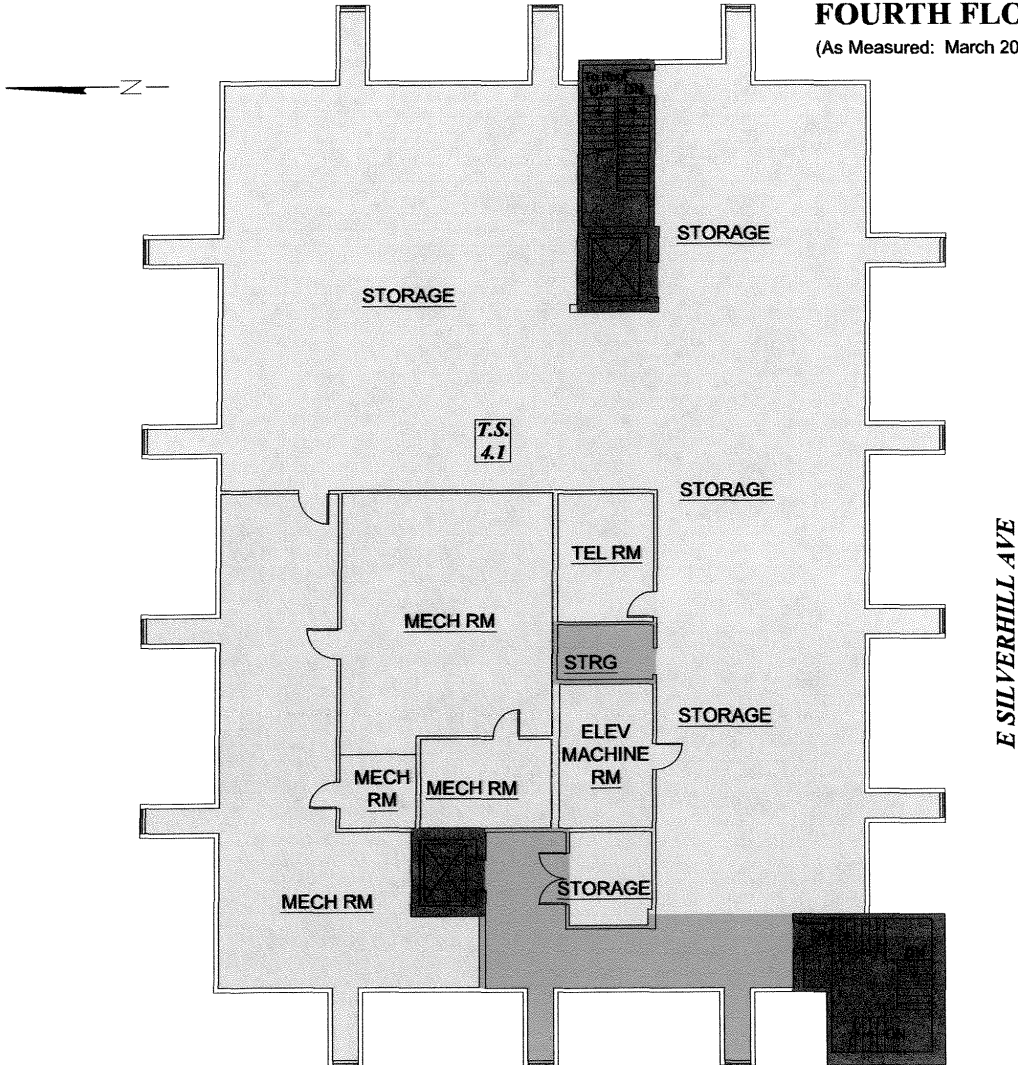
TEL: (888) 393-6655
FILE: 5-067 Bldg 118

PREPARED FOR:
Regions Financial Corporation

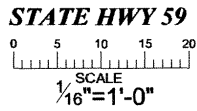
PROJECT ID #
22070 HIGHWAY 59
ROBERTSDALE, AL

PROPOSED LEASE PLAN

FOURTH FLOOR
(As Measured: March 2005)



FLOOR SUMMARY	SQ.FT.
Total Rentable	5,589
Total Usable	4,693
R/U	1.1908
Floor Common	531
Building Common	2,529
Total Vertical	622



Suite #	Usable	Rentable
4.1	4,693	5,589

AREAS COMPUTED IN ACCORDANCE
WITH ANSI/BOMA Z65.1 (1996) STANDARD

Survey Accuracy: +/- 0.27 %



TEL: (888) 393-6655
FILE: 5-067 Bldg 118

ANSIBOMA (1996) AREA ANALYSIS

Date Printed: 6/8/2005 4:55 PM

Address: Project #
22070 Highway 99
Robertsdale, AL

Floor	Gross Building Area	Gross Measured Area	Net Rentable Area	Usable Areas			Basic Rentable Areas			RENTABLE AREAS					
				Office Area	Store Area	Building Common Area	Office Area	Store Area	Building Common Area	Office Area	Store Area	Total Rentable Area			
1	11,058	10,876	266	5,857	73	2,309	5,857	73	2,309	438	502	23	7,644	88	2,793
Floor Totals	11,058	10,876	266	5,857	73	2,309	5,857	73	2,309	438	502	23	7,644	88	2,793
2	11,368	10,876	272	8,213	0	227	8,213	0	227	1,188	763	6	10,158	0	11,298
Floor Totals	11,368	10,876	272	8,213	0	227	8,213	0	227	1,188	763	6	10,158	0	11,298
3	11,368	10,085	259	1,123	0	28	1,123	0	28	1,383	433	201	1,214	0	11,231
Floor Totals	11,368	10,085	259	1,123	0	28	1,123	0	28	1,383	433	201	1,214	0	11,231
4	8,847	8,378	283	4,683	0	2,528	4,683	0	2,528	5,038	2,718	0	7,754	0	5,589
Floor Totals	8,847	8,378	283	4,683	0	2,528	4,683	0	2,528	5,038	2,718	0	7,754	0	5,589
BLDG TOTALS	47,439	46,891	7,971	29,283	0	3,268	32,851	0	3,268	14,271	0	3,741	38,621	0	38,621



*All Data on Sq Ft
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AMERICAN FINANCIAL
REALTY TRUST

Regions
REG-4316
Robertsdale
22070 Highway 59, Robertsdale, AL 36567
38,020 Total Bldg. Sq. Ft.

Property Income

Tenant Name	Suite #	Rentable Sq. Ft.	Rent Rate	Monthly Rent	Annual Rent	OpExp Reimbursement Per Month	Lease Expiration Date
Regions Bank**	100	7,152	\$14.72	\$8,773.88	\$105,286.56	\$2,213.00 ++	6/30/2020
			\$5.79 effective 7/1/2010				
			\$5.94 7/1/2011				
			\$6.09 7/1/2012				
			\$6.24 7/1/2013				
			\$6.39 7/1/2014				
			\$6.55 7/1/2015				
			\$6.72 7/1/2016				
			\$6.89 7/1/2017				
			\$7.06 7/1/2018				
\$7.23 7/1/2019							
Regions Bank	100T	2,783	\$1.00	\$231.92	\$2,783.04	\$860.97	8/31/2006
State of Alabama Dept	200	11,002	\$11.50	\$10,543.58	\$126,522.96	n/a	4/30/2007
Human Resource	303	2,163	\$11.50	\$2,072.88	\$24,874.56	n/a	
	200T	264					
Vacant Space	300	737	\$14.50	\$17,709.33	\$212,512.00	n/a	**Assumed Vacant Space Rent
	301	2,013					
	302	3,049					
	310	3,269					
	400	5,588					
	**	**	**	**	**	**	
Subtotal:				\$21,822.26	\$259,487.12	\$3,073.97	

Current Property Income (Including Reimbursements)	\$291,983.20
Total Income (Including Assumed Rent for Vacancy)	\$604,495.20

++ Current billing amount for Operating Expenses. Please consider that this amount may be reconciled after 2006 Calendar year is completed.

All information furnished regarding property for sale, rental or financing is from sources deemed reliable, but no warranty or representation is made as to the accuracy thereof and same is submitted subject to errors, omissions, change of price, rental or other conditions, prior sale, lease or financing or withdrawal notice. No liability of any kind is to be imposed on the owner.

Date Prepared: 6/7/2006

AMERICAN FINANCIAL
REALTY TRUST

Regions
REG-4316
Robertsdale
22070 Highway 59, Robertsdale, AL 36567
38,020 Total Bldg. Sq. Ft.

Operating Expenses
2006 Budget

<u>EXPENSES</u>	<u>Annual Cost</u>	<u>P.S.F.</u>
Structural & Roof Repairs	\$ 3,800	\$ 0.09
Electrical Repairs	\$ 2,760	\$ 0.07
Plumbing Repairs	\$ 4,320	\$ 0.11
Elevator Service Contracts	\$ 5,520	\$ 0.15
Elevator Service Contracts/Repairs	\$ 1,200	\$ 0.03
General Building Maintenance	\$ 19,200	\$ 0.50
Electric Cntrcls/Lghtng, Tubs	\$ 2,760	\$ 0.07
Fir & Lif Safty-Fir Prvn Exp	\$ 3,600	\$ 0.09
Pest Control Expense	\$ 840	\$ 0.02
HVAC Repairs	\$ 19,200	\$ 0.50
Insurance Expense	\$ 5,279	\$ 0.14
Janitori-Cntrct Srv-Dly Clng	\$ 14,400	\$ 0.38
Janitori-Cntrct Srv-Wndw Clng	\$ 3,800	\$ 0.10
Janitori-Cntrct Srv-Spcl Cln	\$ 1,920	\$ 0.05
Contract Svcs-Extr Lndscpng	\$ 6,000	\$ 0.16
Real Estate Taxes	\$ 34,675	\$ 0.91
Utilities - Electric	\$ 68,400	\$ 1.80
Utilities - Other	\$ 8,400	\$ 0.22
	<u>\$ 205,874</u>	<u>\$ 5.41</u>
<u>TAXES & OPERATING EXPENSES (P.S.F.)</u>		<u>\$ 5.41</u>

Current Net Operating Income \$86,109.44
Net Operating Income (Including Assumed Rent for Vacancy) \$298,621.44

Buyer should assume their own management fees for the local market.

All information furnished regarding property for sale, rental or financing is from sources deemed reliable, but no warranty or representation is made as to the accuracy thereof and same is submitted subject to errors, omissions, change of price, rental or other conditions, prior sale, lease or financing or withdrawal notice. No liability of any kind is to be imposed on the owner.

Date Prepared: 6/7/2006

(L6) - BALDWIN POPS, INC.

Commissioner's Bishop, Gruenloh and Chairman Lipscomb desire to assist the Baldwin Pops, Inc. with financial assistance to the Baldwin Pops, Inc. to continue their community (music) concerts for the general public.

Importantly, the conveyance of funds will require the execution of a required "Agreement" to effect such total appropriation.

MOTION BY COMMISSIONER BISHOP, SECONDED BY COMMISSIONER GRUENLOH TO TAKE THE FOLLOWING ACTIONS:

2) AUTHORIZE THE FOLLOWING APPROPRIATIONS:

\$2,000.00, FROM COUNTY COMMISSION DISTRICT 2'S CONTINGENCY FUND

\$1,500.00, FROM COUNTY COMMISSION DISTRICT 3'S CONTINGENCY FUND

\$1,500.00, FROM COUNTY COMMISSION DISTRICT 4'S CONTINGENCY FUND

TO THE BALDWIN POPS, INC., TO BE USED EXCLUSIVELY TO ASSIST SAID BALDWIN POPS, INC. IN THEIR CONTINUANCE OF COMMUNITY CONCERTS FOR THE CITIZENS OF BALDWIN COUNTY, ALABAMA, SAID COMMUNITY CONCERTS BENEFITING THE RECREATIONAL AND CULTURAL ENVIRONMENT OF THE GENERAL PUBLIC.

2) EXECUTE THE REQUIRED "AGREEMENT," BETWEEN THE BALDWIN COUNTY COMMISSION AND BALDWIN POPS, INC., TO EFFECT THE AFOREMENTIONED TOTAL APPROPRIATION.

UNANIMOUS.

(L7) – OFFER TO PURCHASE ROBERTSDALE REGIONS BANK BUILDING

Locke W. Williams, Clerk/Treasurer appeared before the Commission and said the entire block of the Robertsdale Regions Bank Building is currently for sale for \$4 million, through Auner & Blanchard Realty of Gulf Shores. The Building is presently owned by First States Investors 4200 LLC, a Texas-based Real Estate Investment Trust. The Revenue Commissioner's Office presently values the Building and land at \$5.5 million. The Building was constructed around 1979.

Purchasing the Regions Building can be in lieu of three Series 2006-A Warrant construction projects, such three projects and amounts borrowed on Series 2006-A being 1) Sheriff's Department Building in Robertsdale Addition \$1,170,000.00, 2) the Highway Administration Building in Silverhill \$1,200,000.00 and 3) the Central Annex Office Building \$1,700,000.00. These three amounts total \$4,070,000.00.

The combined square footage of these three buildings is approximately 26,700 square feet, while the Regions Building is 38,020 square feet of "rentable area."

If purchased, the Regions Building would come with Regions Bank, State Department of Human Resources (DHR) and the Baldwin County Economic Alliance as lessees. Regions currently leases the ground floor, but plans to reduce its square footage to roughly two-thirds of the ground floor in the near future. State DHR leases the entire 2nd floor and about 2,200 square feet on the 3rd floor, but will move out when the County constructs the

DHR Building on the grounds of Central Annex. The Alliance currently leases about 2,800 square feet of the 3rd floor. Combined annual rent is presently \$259,467.12 according to documents provided by the realtor.

To finance the project, the amount to purchase the Regions property and to renovate the Building would need to be included in the upcoming Series 2006-C warrant issue. The portion of the building attributable to private activities would be borrowed taxable, and the remainder would be borrowed nontaxable.

Formal reallocation of the abovementioned three Series 2006-A projects would also need to occur. Should the Commission approve moving forward on the Regions purchase, the Clerk/Treasurer will have Agenda Action next meeting for Commission consideration to reallocate the three Series 2006-A projects to overruns on the Wilderness, Bay Minette Courthouse and Central Annex projects, which are also Series 2006-A projects.

MOTION BY COMMISSIONER BURT, SECONDED BY COMMISSIONER BISHOP TO TAKE THE FOLLOWING ACTIONS:

1. AUTHORIZE THE OFFER TO PURCHASE THE ROBERTSDALE REGIONS BANK BUILDING FOR \$4 MILLION, SUBJECT TO STRUCTURAL ANALYSIS AND OTHER BUILDING-RELATED DUE DILIGENCE MATTERS SATISFACTORY TO THE COUNTY WITHIN TWENTY DAYS OF OFFER ACCEPTANCE, AND SUBJECT TO COUNTY UNDERWRITERS INDICATING THAT LONG TERM FINANCING FOR THE PURCHASE AND RENOVATION CAN PROCEED.
2. FURTHER:
 - A) AUTHORIZE THE REMITTANCE \$100,000.00 IN EARNEST MONEY WITH THE OFFER TO PURCHASE;
 - B) AUTHORIZE STAFF TO NEGOTIATE THE MOST ADVANTAGEOUS CLOSING TERMS POSSIBLE FOR THE PURCHASE;
 - C) CLOSING TO OCCUR NO LATER THAN FORTY-FIVE DAYS AFTER OFFER ACCEPTANCE; AND
 - D) AUTHORIZE THE CHAIRMAN TO EXECUTE SUCH DOCUMENTS AND CLOSING DOCUMENTS UPON REVIEW OF CHIEF COUNSEL TO EFFECT THE PURCHASE AND CLOSING.

Commissioner Bishop said in working with the Finance Team, they have looked at this several times to see how it can benefit the Highway Department to have space available immediately once the County takes possession of the building. This has been discussed and there are people that have tried to purchase the property around the building. It is Commissioner Bishop's understanding that the offers have been as much as \$800,000.00. The land is worth a good value and that would all be included in the price set on the property.

Commissioner Gruenloh asked if this would be part of a taxable issue? Mr. Williams said if the property is purchased, it would have to be financed with warrant issues and bonds. The portion of the building contributable to private activity is Regions Bank and the Economic Development Alliance. The money borrowed for that pro-rata part of the building used by private activities, on square footage basis, would have to be taxable. Taxable parts can be included with non-taxable on a warrant issue.

Commissioner Gruenloh said the County had done that with the 2006 Warrants Issues A and B and he thought the County had started looking at the difference between taxable and non-taxable.

Mr. Williams said the County did that, but also with Series B, the County had a need to go through judicial validation in Circuit Court on issues such as bid law and other matters related to Cattle & Fair. Also, the County addresses the taxable private activity issue on Series B applying for that warrant issue to be under go zone legislation, which addresses the private activity issue in that manner. For this building, Clerk/Treasurer Williams thought the County could do the go zone application process but the County cannot. The go zone requires substantial renovations on existing building that is purchased and in this case, substantial renovations or improvements will not be made on the Regions Building.

Commissioner Burt said the Baldwin County Revenue Department has the property appraised at \$5.5 million. The need for the Highway Department could be met more immediately with this building. Mr. Markert has already reviewed the area and the building would provide the Highway Department all the space it needs. The lease revenue makes the property even more attractive and looking further back, 14-15 years ago, the seven member County Commission purchased the property and lost it due to three Commissioners refusing to sign the warrant issue. Now the County is attempting to buy the building once again, only with a much higher price. The need for the building still exists.

Chairman Lipscomb asked about the size of the lot? Mr. Williams said the dimensions of the lot are approximately 605 feet x 260 feet, which is the entire block off of Highway 59.

Commissioner Bishop said the current \$4 million estimate is initially what it would cost to build and that is something to consider. What also needs to be considered is the total amount of property the County has at the Central Annex, which is valuable and needs to be kept for future expansions. It is Commissioner Bishop's understanding that Regions Bank is paying for their own costs associated with the building of the partition on the first floor of the building separating the County offices and the bank.

Chairman Lipscomb said the building is built well and he trusts that it has been maintained well. This building will offer the County flexibility with its tremendous amount of floor space.

Commissioner Gruenloh asked Mr. Williams to elaborate on the structural analysis and other building related due diligence.

Mr. Williams said he does not know specifically at this time. At a minimum, Mike Howell, Building Official; Jeff Hudson, Architect and Earl Drinkard, Building Maintenance Director are scheduled to inspect the building and if they believe the County should call in other people to look at something specific, that will be done. The County has twenty days to do this.

Commissioner Gruenloh asked if it is something significant, it will come back before the Commission? Mr. Williams said that is correct.

Commissioner Burt said the building is strategically located in the County and the value will be for the benefit of the County in the future.

Chairman Lipscomb asked if there is any conflict with any commitment the County is about to make regarding the underwriters? Mr. Williams said he has spoken with the broker and the terms will be written into the purchase agreement. Mr. Williams has had initial discussions on the project with County underwriters and Mr. Williams is confident this can be accomplished. However, the staff recommendation must have something in case anything unforeseen comes up.

Chairman Lipscomb said he wanted to make sure this ties into one source of funding and later the Commission can come back and reconsider.

Mr. Williams said the only way the County can proceed with this is to purchase the building with long term financing.

Commissioner Gruenloh asked what the estimate would cover on the renovations? Mr. Williams said \$1 million is to be borrowed for renovations, in addition to the \$4 million for the purchase of the building. This is only an estimate and can change. After Architect Jeff Hudson looks at the building, the County will have a better idea of the cost of the renovation.

UNANIMOUS.

RECESS

The Chairman recessed the meeting at 10:20 A.M.

The Chairman reconvened the meeting at 10:37 A.M.

(L8) - SERIES 2006-C WARRANTS

Locke W. Williams, Clerk/Treasurer appeared before the Commission and informed them this item relates to the Regions Bank building. It is necessary to proceed with final sizing of the 2006-C Warrants for projects previously identified, projects discussed in budget and (if authorized) for the Robertsdale Regions Bank property purchase. If everything works out with Regions, the County needs the funds to purchase the building in 45 days.

Mr. Williams listed all projects on the recommendation including the estimated cost of each project. Mr. Williams said the authorizing resolution and other matters would be brought back before the Commission for its consideration. Mr. Williams will report back to the Commission at the next regular Commission meeting and the warrant issues should be closed no later than September.

After Clerk/Treasurer Williams read the recommendation, it was MOTIONED BY COMMISSIONER GRUENLOH, SECONDED BY COMMISSIONER BURT TO TAKE THE FOLLOWING ACTIONS:

1) AUTHORIZE FINAL SIZING OF THE 2006-C WARRANTS PROJECTS TO BE \$20,700,000.00, AS FOLLOWS:

ADDITIONAL FUNDS FOR D'OLIVE ROAD PHASE 2	\$ 600,000.00
ADDITIONAL FUNDS FOR CR13 FROM CR34 TO CR44	1,350,000.00
ADDITIONAL FUNDS FOR CR13 FROM SR104 TO CR64	2,100,000.00
STYX RIVER BRIDGE ON CR83	1,500,000.00
BAY MINETTE CREEK BRIDGE ON BROMLEY ROAD	750,000.00
CC ROAD BRIDGE	650,000.00
CR13 NORTH SIDE OF I-10	650,000.00
ADDITIONAL FOR CENTRAL ANNEX DHR BLDG.	5,000,000.00
ADDITIONAL FOR EOC ADDITION	800,000.00
PURCHASE DHR BLDG. IN BAY MINETTE	1,300,000.00
PURCH/RENOV OLD REGIONS IN BAY MINETTE	1,000,000.00
R'DALE REGIONS BLDG.	<u>5,000,000.00</u>
TOTAL	20,700,000.00

2) AUTHORIZE STAFF TO PROCEED WITH THE FINANCING.

Commissioner Gruenloh asked if the additional cost on the Emergency Operations Center's Addition will be shared with the Sheriff's Department? Mr. Williams said they will be participating on square footage basis. The Sheriff has requested no additional space from the original request. This is an overall increase of all the footage.

**COMMISSION RECOMMENDATION
BALDWIN COUNTY COMMISSION**

AGENDA ITEM NUMBER: L2

COMMISSION MEETING DATE: September 19, 2006

TITLE/SUBJECT: General Obligation Taxable Warrant Resolution and Related
Warrant Closing Documents to Finance the Purchase of the
Robertsdale Regions Building and Property

TO: **The Honorable Members of the Baldwin County Commission**
THRU: **Michael L. Thompson, County Administrator** *mlt 09/13/06*
FROM: **Locke W. Williams, Clerk/Treasurer**
DATE: **September 15, 2006**

STAFF RECOMMENDATIONS:

To finance the purchase of the Robertsdale Regions Building and property for a period not to exceed six months, with no premium or penalty if the financing is redeemed within such six months, adopt (attached) **Resolution and Order No. 2006-166, A Resolution and Order Authorizing the Issuance of \$4,000,000 Principal Amount General Obligation Taxable Warrant, Series 2006, to be Dated the Date of Issuance, and Making Provision for the Payment Thereof.**

Authorize the Chairman, Commissioners, Administrator, Clerk/Treasurer, and Chief Counsel if necessary, to execute the Warrant, Resolution and Order No. 2006-166 and minutes thereto, and requisite General Obligation Taxable Warrant closing documents (attached), prepared by County Bond Counsel, in order to receive the proceeds of such Warrant.

PREVIOUS COMMISSION ACTION: yes X no **Date:** Aug 15, 2006
(Authorized final sizing of the 2006-C Warrant issue projects to be \$20,700,000, and further authorized staff to proceed with the financing).

Date: Aug 15, 2006

(Authorized offer to purchase the Robertsdale Regions Bank Building for \$4 million, subject to structural analysis and other building-related due diligence matters satisfactory to the County within twenty days of offer acceptance, and subject to County underwriters indicating that long-term financing for the purchase and renovation can proceed, and further, authorized the remittance of \$100,000 in earnest money with the offer to purchase, authorized staff to negotiate the most advantageous closing terms possible for the purchase, closing to occur no later than forty-five days after offer

acceptance, and authorized the Chairman to execute such documents and closing documents upon review of Chief Counsel to effect the purchase and closing).

Date: Sept 5, 2006

(Approved Investment Banking Agreement with The Frazer Lanier Company for the upcoming 2006 Warrants).

Date: Sept 5, 2006

(Adopted Resolution Number 2006-160, which states, among other things, the Commission 1.) desires to purchase and renovate the Regions Bank Building and property in Robertsdale in lieu of proceeding further with Series 2006-A projects of the a.) Sheriff's Building Addition in Robertsdale, b.) Highway Administration Building and c.) Office Building at Central Annex, and 2.) takes the unexpended balance of \$3,990,740 in Series 2006-A Warrant proceeds for the projects listed above, and reallocates said unexpended balance to cost overruns in the Series 2006-A projects of the a.) Bay Minette Courthouse Renovation \$1,126,638, b.) Central Annex Phase III \$201,408, and c.) Girls Wilderness Facility \$2,662,694, totaling \$3,990,740).

Date: Sept 19, 2006

(Will have considered the following earlier in the same September 19, 2006 regular meeting: 1) authorize the establishment of a Baldwin County Public Building Authority (PBA) to finance most of the (previously) authorized Series 2006-C building projects, the intention being that the Baldwin County PBA will issue two Series of debt, one Series for the DHR Building in Robertsdale, and one Series for most of the other Series 2006-C building projects. 2) authorize the preparation of the document(s) to establish the Baldwin County PBA, with the understanding that such document(s) will require subsequent formal consideration by the Commission. 3) acknowledge that the Robertsdale Regions Bank Building structural analysis and other building-related due diligence matters are satisfactory to the County. 4) authorize the initial financing of the \$4 million offer price for the Robertsdale Regions Bank Building and property with a General Obligation Warrant for a six-month term, with no prepayment penalty, so that funds will be available at the purchase closing for the Building and property. 5) authorize the solicitation of rate quotes from in-county banks for, and the preparation of, such General Obligation Warrant for a six-month term for the purchase of the Robertsdale Regions Bank Building and property, for subsequent formal consideration by the Commission.

BACKGROUND: The purchase closing on the Robertsdale Regions Bank Building and property is anticipated to occur at the conclusion of this month. With the September 19, 2006 regular meeting being the last regular meeting prior to such anticipated closing, a \$4 million bank loan in the form of a General Obligation Taxable Warrant for a six-month term, with no premium or penalty if redeemed within such six months, has been prepared by Bond Counsel, in order to have the funds available at closing to purchase the Robertsdale Regions Building and property.

In order to proceed with such General Obligation Taxable Warrant, on Tuesday, September 12, 2006, Accounting staff requested rate quotes from all in-county banks. Attached is a tabulation worksheet of the rate proposals received from the eight in-county banks that responded by the Thursday, September 14, 2006 deadline.

AmSouth Bank submitted the lowest (best) interest rate proposal for both a fixed (5.99%) and a variable (5.98%) rate. See AmSouth's proposal response attached. Since AmSouth's fixed rate was only one basis point higher than their variable rate, and since the variable rate could go up in the near future, the Clerk/Treasurer had Bond Counsel proceed with preparing the General Obligation Taxable Warrant documents using AmSouth's 5.99% fixed rate.

The \$4 million General Obligation Taxable Warrant principal and interest will be rolled into the long-term warrant financing to be issued by the County and the County PBA.

FINANCIAL IMPACT: N/A _____

1. Total cost of recommendation: \$ 4 million plus interest (interest would amount to \$119,800 if the Warrant was outstanding for the entire six months)
2. Are the funds budgeted for this recommendation? **yes** X **no** _____
If not, why not: _____
3. Budget line item to be used: 2006-C Warrant proceeds Balance remaining in the line item after recommended expenditure: \$ 16.7 million (approx.)
4. Will the recommendation create a need for continued funding which is not included in the current budget? **yes** _____ **no** X _____
If yes, how will this funding requirement be met in the future? _____

Budget Manager Approval: K. Baggett **Date:** 9/18/06

LEGAL IMPACT: N/A _____

1. Are any legal documents required to be executed if this recommendation is approved? **yes** X **no** _____
2. Have all required legal documents been reviewed and attached to this recommendation? **yes** X **no** _____
3. If not, when will the necessary legal documents be developed and approved?
Documents were prepared by Bond Counsel.

Review and Approval by Counsel: _____

Date: _____

POLICY IMPACT: N/A X _____

PERSONNEL IMPACT: N/A X _____

IMPLEMENTATION:

1. Department and individual responsible for follow up activities on recommendation: Accounting/Locke Williams
2. Specific action/actions required as follow up: Coordinate with Bond Counsel and County staff to execute Warrant documentation, acquire proceeds, and purchase Robertsdale Regions Building and property
3. Are other Departments/Individuals necessary to complete the follow up activities ? If so specify: Legal will review Warrant and purchase closing documents

ALTERNATIVES:

- 1.
- 2.

ATTACHMENTS: Resolution and Order No. 2006-166.
General Obligation Taxable Warrant closing documents.
Tabulation of interest rate proposals received.
Interest rate proposal received from AmSouth Bank.
Robertsdale Regions Purchase Agreement.

**EXCERPTS FROM THE MINUTES OF A REGULAR MEETING OF
THE COUNTY COMMISSION OF BALDWIN COUNTY, ALABAMA**

The Baldwin County Commission, met in regular public session at the Baldwin County Administration Building in the City of Bay Minette, Alabama, at 8:30 o'clock a.m. on the 19th day of September, 2006.

The meeting was called to order by the Chairman, and the roll was called with the following results:

Present: Albert Lipscomb, Chairman
 Wayne Gruenloh
 Frank Burt, Jr.
 David Ed Bishop

Absent: None

The Chairman stated that a quorum was present and that the meeting was open for the transaction of business.

* * *

Thereupon, the following resolution and order was introduced in writing by _____, read by the County Administrator and considered by the County Commission:

RESOLUTION AND ORDER NO. 2006-166

A RESOLUTION AND ORDER AUTHORIZING THE ISSUANCE OF \$4,000,000
PRINCIPAL AMOUNT GENERAL OBLIGATION TAXABLE WARRANT, SERIES
2006, TO BE DATED THE DATE OF ISSUANCE, AND MAKING PROVISION FOR
THE PAYMENT THEREOF

BE IT RESOLVED AND ORDERED BY THE BALDWIN COUNTY COMMISSION, as follows:

Section 1. Definitions and Use of Phrases. The following words and phrases and others evidently intended as the equivalent thereof shall, in the absence of clear implication herein otherwise, be given the following respective interpretations herein:

“Depository” means AmSouth Bank, Mobile, Alabama.

“Warrant” means the County’s General Obligation Taxable Warrant, Series 2006, to be dated the date of issuance.

The definitions set forth in this section shall be deemed applicable whether the words defined are used herein in the singular or the plural. Wherever used herein, any pronoun or pronouns shall be deemed to include both singular and plural and to cover all genders.

Section 2. Findings and Representations.

(i) The County, by and through its County Commission, does hereby find, determine, represent, and warrant that the net assessed valuation of the taxable property in the County for the preceding fiscal year (ending September 30, 2005) is not less than \$3,163,748,112 and the total indebtedness of the County (including the Warrant) chargeable against the debt limitation for the County prescribed by the Constitution of the State of Alabama is not more than twenty percent of said assessed valuation.

(ii) The County has determined that it is in the best interest of its citizens for it to acquire the Regions Bank Building in Robertsdale, Alabama.

(iii) The County has received proposals from eight banks concerning the financing of the Regions Bank Building through the issuance of a general obligation taxable warrant and it has been determined that the proposal of AmSouth Bank should be accepted as the one most beneficial to the County.

(iv) The proceeds of the Warrant shall be applied to acquire the Regions Bank Building and related property and to reimburse the County's General Fund for \$100,000 heretofore paid by the County as earnest money in connection with the acquisition of such Building.

(v) The County anticipates that the Warrant will be retired within the next six months from the proceeds of a permanent warrant issue. The Regions Bank Building, subject to existing leases, will be used by the County, and its departments and related agencies for governmental operations and functions.

(vi) The County hereby declares its intent to issue permanent warrants to retire the Temporary Warrant. Such permanent warrants will be issued in two separate series, one a tax-exempt issue and one a taxable issue.

Section 3. Authorization and Description of Warrant. (a) Pursuant to the applicable provisions of the laws of the State of Alabama, including particularly Chapter 28 of Title 11 of the CODE OF ALABAMA 1975, as amended, there is hereby authorized to be issued a "General Obligation Taxable Warrant, Series 2006" in the principal amount of \$4,000,000. The Warrant shall be dated the date of its initial issue, and shall be in registered form, without coupons. The principal of the Warrant shall mature on April 1, 2007 and may be redeemed, in whole or in part, prior to the final maturity date without premium or penalty. The Warrant shall bear interest payable at the per annum rate of 5.99% until paid in full.

(b) The principal and interest on the Warrant shall be payable on April 1, 2007 only upon presentation and surrender of the Warrant at the office of the Depository in Mobile, Alabama. The principal of and interest on the Warrant shall be payable in lawful money of the United States at par and without discount, exchange, deduction or charge therefor.

Section 4. Redemption of Warrant. (a) The Warrant shall be optionally redeemable, in whole or in multiples of \$1,000, at the option of the County on any date at a redemption price equal to 100% of the principal amount redeemed plus accrued interest to the date fixed for redemption, without premium or penalty.

(b) Notice of any optional redemption shall be sent by United States registered or certified mail to the registered owner of the Warrant not less than three (3) nor more than thirty (30) days prior to the date fixed for redemption. If any principal portion so redeemable shall have been called for redemption, interest thereon shall cease to accrue from and after the date fixed for redemption unless default shall be made in the payment of the redemption price thereof.

(c) The record of all redemptions of principal of the Warrant shall be maintained by the Depository and the record of the Depository as to the then outstanding principal amount of the Warrant shall be binding and conclusive on all parties, the County, the Depository and the holder of the Warrant, in the absence of manifest error. Any transferee of the Warrant shall be required to verify with the Depository the principal amount thereof then outstanding and unpaid.

Section 5. Form of the Warrant. The form of the Warrant and the requisite certificates thereof shall be substantially as follows, with appropriate changes, variations and insertions as provided herein:

(Form of Warrant)

UNITED STATES OF AMERICA
STATE OF ALABAMA
BALDWIN COUNTY
GENERAL OBLIGATION TAXABLE WARRANT
SERIES 2006

FINAL MATURITY DATE

April 1, 2007

INTEREST RATE

5.99%

BALDWIN COUNTY, a political subdivision of the State of Alabama (herein called the "County") for value received, hereby acknowledges itself indebted to AmSouth Bank, Mobile, Alabama, or registered assigns in the principal sum of

FOUR MILLION DOLLARS (\$4,000,000)

and hereby orders and directs the Treasurer of the County to pay to said payee or registered assigns solely from the Fund hereinafter designated said sum in principal installments as specified below, and to pay from said Fund interest on said unpaid principal amount from the date hereof at the per annum Interest Rate specified above. Interest shall be computed on the basis of a 360-day year with twelve months of thirty days each. The principal of and interest on this warrant are payable in lawful money of the United States of America, at par and without deduction for exchange or costs of collection. The principal of the Warrant shall mature, and the interest hereon shall be payable, on April 1, 2007 and may be redeemed, in whole or in part, prior to the final maturity date without premium or penalty. The Warrant shall bear interest payable at the per annum rate of 5.99% until paid in full. Such principal and interest shall be payable at final maturity or upon redemption in whole only upon presentation and surrender of this warrant at the office of AmSouth Bank in Mobile, Alabama

(the "Depository"). The principal and interest on this warrant shall be paid in immediately available funds to the person entitled thereto at its address appearing on the registration books of the County maintained by the Depository. All such payments shall be valid and effectual to satisfy and discharge the liability of the County or the Depository upon this warrant to the extent of the sum or sums so paid.

This warrant is the duly authorized General Obligation Taxable Warrant, Series 2006, of the County and is limited to an aggregate principal amount of \$4,000,000 and issued pursuant to the Constitution and laws of the State of Alabama, as amended, including the provisions of Chapter 28 of Title 11 of the CODE OF ALABAMA 1975, as amended, and a resolution and proceedings of the County duly passed, held and conducted (the "Authorizing Resolution"). The indebtedness evidenced by this warrant is a general obligation of the County, and the full faith and credit of the County are hereby sacredly and irrevocably pledged to the punctual payment of the principal thereof and interest thereon. The Warrant is not bank qualified under Section 265(b) of the Internal Revenue Code of 1986, as amended.

The County has established a special fund designated "Series 2006 General Obligation Taxable Warrant Fund" (the "Fund") for the payment of the principal of and interest on this warrant and has obligated itself to pay or cause to be paid into the Fund from the taxes, revenues or funds of the County sums sufficient to provide for the payment of the principal of and interest on the warrant as the same mature and come due.

This warrant shall be subject to redemption, in whole or in multiples of \$1,000, at the option of the County on any date at a redemption price equal to 100% of the principal amount redeemed, plus accrued interest to the date fixed for redemption, without premium or penalty.

The record of all prepayments of principal of this warrant shall be maintained by the Depository and the record of the Depository as to the then outstanding principal amount of this warrant shall be binding and conclusive on all parties, the County, the Depository and the holder of this warrant, in the absence of manifest error. If the registered owner hereof shall assign this warrant by execution of the Assignment attached hereto, the assignee shall surrender this warrant to the Depository for a verification of the principal amount hereof and interest hereon paid or prepaid, and EVERY ASSIGNEE HEREOF SHALL TAKE THIS WARRANT SUBJECT TO SUCH CONDITION.

Notice of any optional redemption shall be sent by United States registered or certified mail to the registered owner of this warrant not less than three (3) nor more than thirty (30) days prior to each proposed redemption date. Notice having been so given and payment of the redemption price having been duly made or provided, interest on the principal portion hereof so called for redemption shall cease to accrue from and after the date fixed for redemption unless default shall be made in the payment of the redemption price thereof.

This warrant is issuable only as a fully registered warrant. This warrant may be transferred by the registered owner in person or by authorized attorney, only on the books of the Depository and only upon surrender of this warrant to the Depository with a written instrument of transfer acceptable to the Depository executed by the registered owner or his duly authorized attorney, for notation of the new registered owner thereon and upon any such transfer, no new warrant shall be issued to the transferee in exchange therefor. Each registered owner, by receiving or accepting this warrant, shall consent and agree and shall be estopped to deny that insofar as the County and the Depository are concerned, this warrant may be transferred only in accordance with the provisions of the Authorizing Resolution. Provision is made in the Authorizing Resolution for the replacement of this warrant if it shall be or become mutilated, lost, stolen or destroyed by the issuance, authentication and registration of a new warrant of like tenor, subject, however, to the terms, conditions and limitations contained in the Authorizing Resolution with respect thereto.

The Depository shall not be required to transfer or exchange this warrant during the period of fifteen (15) days next preceding April 1, 2007; and in the event that this warrant (or any principal part thereof) is duly called for redemption, the Depository shall not be required to register or transfer this warrant during the period of ten (10) days next preceding the date fixed for such redemption. No charge shall be made for the privilege of transfer, but the registered owner of this warrant requesting any such transfer shall pay any tax or other governmental charge required to be paid with respect thereto.

It is hereby recited, certified and declared that the indebtedness evidenced and ordered paid by this warrant is lawfully due without condition, abatement or offset of any description, that this warrant has been registered in the manner provided by law, that all acts, conditions and things required by the Constitution and laws of the State of Alabama to happen, exist and be performed precedent to and in the execution, registration and issuance of this warrant, and the adoption of the Authorizing Resolution, do exist and have been performed as so required and that the principal amount of this warrant, together with all other indebtedness of the County, are within every debt and other limit prescribed by the Constitution and laws of the State of Alabama.

IN WITNESS WHEREOF, the County has caused this warrant to be executed in its name and on its behalf by its Chairman, and attested by its County Administrator, and its corporate seal to be affixed hereto, and has caused this warrant to be dated September __, 2006.

BALDWIN COUNTY

SEAL

By _____
Its Chairman

Attest: _____
County Administrator

AUTHENTICATION AND REGISTRATION DATE:

AUTHENTICATION AND REGISTRATION CERTIFICATE

This Warrant is hereby authenticated and has been registered by Baldwin County on the registration books maintained with the Depository in the name of the above-named registered owner on the Authentication and Registration Date noted above.

AMSOUTH BANK
Mobile, Alabama

By _____
Its Authorized Officer

REGISTRATION CERTIFICATE

I hereby certify that this warrant has been duly registered by me as a claim against Baldwin County, in the State of Alabama, and the Warrant Fund referred to herein.

Treasurer of Baldwin County, Alabama

ASSIGNMENT

For value received _____ hereby sell(s), assign(s) and transfer(s) unto _____ the within warrant and hereby irrevocably constitute(s) and appoint(s) _____ attorney, with full power of substitution in the premises, to transfer this warrant on the books of the within mentioned Depository.

Dated this ____ day of _____, _____.

NOTE: The signature on this assignment must correspond with the name of the registered owner as it appears on the face of the within warrant in every particular, without alteration, enlargement or change whatsoever.

Signature Guaranteed:

(Bank, Trust Company or Firm)

By _____
(Authorized Officer)

Section 6. Execution of the Warrant, Registration Certificate and Authentication and Registration Certificate. The Warrant shall be executed in the name and on behalf of the County by the Chairman, and shall be attested by the County Administrator, and the official seal of the County shall be impressed thereon. The Warrant shall be registered by the Treasurer of the County, in the records maintained by the said Treasurer, as a claim against the County and the Warrant Fund. The certificate of registration on the Warrant shall be executed by the Treasurer of the County. Said officers are hereby directed to so execute, attest and register the Warrant. In case any officer whose signature shall appear on the Warrant shall cease to be such officer before the authentication and delivery of such Warrant, such signature shall nevertheless be valid and sufficient for all purposes, the same as if he or she had remained in office until authentication and delivery.

Section 7. General Obligation: The Warrant Fund.

(a) The indebtedness evidenced and ordered paid by the Warrant shall be a general obligation of the County for the punctual payment of the principal of and interest on which the full faith, credit and taxing power of the County are hereby sacredly and irrevocably pledged. The County represents that ad valorem taxes have been levied and hereby covenants and agrees that such taxes will be levied and collected, insofar as

such taxes may be permitted by the present or any future provisions of the Constitution of Alabama of 1901, as amended, on all taxable property in the County, and applied to the maximum extent permitted by law to the payment of the principal of and interest on the Warrant as such principal matures and such interest comes due, in amounts sufficient for such purposes.

(b) The County shall pay or cause to be paid into the Series 2006 General Obligation Taxable Warrant Fund hereby created from the proceeds of the taxes, revenues or funds of the County, on or before April 1, 2007, an amount equal to the principal maturing and the interest coming due on April 1, 2007.

Moneys on deposit in the Warrant Fund shall be used to pay the principal of and interest on the Warrant as such principal and interest mature and become due.

Section 8. Sale and Delivery of Warrant; Closing Papers. The Warrant is hereby sold to AmSouth Bank, Mobile, Alabama, upon the payment to the County of the purchase price of the par value or principal amount of the Warrant. The County Commission has determined that the sale of the Warrant to such purchaser on such terms is most advantageous to the County. The Warrant shall be delivered to such purchaser upon the payment to the County of the aforesaid purchase price. The Chairman and the County Administrator and County Treasurer, or any of them, are hereby authorized and directed to effect such delivery and in connection therewith to deliver such closing papers, documents and contracts containing such representations as are required to demonstrate: the legality and validity of the Warrant as herein provided; the exemption of interest on the Warrant from State of Alabama income taxation; and the absence of pending or threatened litigation with respect to any of such matters. The County Treasurer shall give a receipt to the said purchaser for the purchase price paid, and such receipt shall be full acquittal to the said purchaser and the said purchaser shall not be required to see to, or be responsible for, the application of the proceeds of the Warrant. Nevertheless, the proceeds of the Warrant shall be held in trust and applied solely for the purpose specified in this resolution.

Section 9. Application of Proceeds of Warrant. The proceeds from the sale of the Warrant shall be deposited by the Treasurer of the County into a special fund and used to pay the acquisition, rehabilitation, and equipment cost associated with the Regions Bank Building (including the reimbursement of \$100,000 to the County's General Fund) and to pay all issuance and related expenses in connection with the acquisition of such Building.

Section 10. Provisions of Resolution a Contract. The terms, provisions and conditions set forth in this resolution constitute a contract between the County and the registered owner of the Warrant and shall remain in effect until the principal of and interest on the Warrant shall have been paid in full.

Section 11. Severability. The provisions of this resolution are severable. In the event that any one or more of such provisions or the provisions of the Warrant shall, for any reason, be held illegal or invalid, such illegality or invalidity shall not affect the other provisions of this Resolution or of the Warrant, and this resolution and the Warrant shall be construed and enforced as if such illegal or invalid provision had not been contained herein or therein.

Adopted this 19th day of September, 2006.

Chairman

SEAL

Attest: _____
County Administrator

After said resolution and order had been discussed and considered in full by the County Commission, it was moved by _____ that said resolution and order be now adopted. The motion was seconded by _____. The question being put as to the adoption of said motion and the passage and adoption of said resolution and order, the roll was called with the following results:

Ayes: Albert Lipscomb, Chairman
Wayne Gruenloh
Frank Burt, Jr.
David Ed Bishop

Nays: None

The Chairman thereupon declared said motion carried and the resolution and order passed and adopted as introduced and read.

* * *

There being no further business to come before the meeting, it was moved and seconded that the meeting be adjourned. Motion carried.

Minutes approved:

Albert Lipscomb, Chairman

Wayne Gruenloh, Member

Frank Burt, Jr., Member

David Ed Bishop, Member

SEAL

Attest: _____
Clerk

STATE OF ALABAMA)

BALDWIN COUNTY)

CERTIFICATE OF CHAIRMAN
OF THE BALDWIN COUNTY COMMISSION

I, the undersigned, do hereby certify that I am the duly elected, qualified and acting Chairman of the Baldwin County Commission. I do further certify that: as Chairman of the Baldwin County Commission I have access to all original records of the County and I am duly authorized to make certified copies of its records on its behalf; the above and foregoing pages constitute a complete, verbatim and compared copy of excerpts from the minutes of a regular meeting of the Baldwin County Commission duly held on the 19th day of September, 2006, the original of which is on file and of record in the minute book of the Baldwin County Commission in my custody; the Resolution and order set forth in such excerpts is a complete, verbatim and compared copy of such Resolution and order as introduced and adopted by the County Commission on such date; and said Resolution and order is in full force and effect and has not been repealed, amended or changed.

IN WITNESS WHEREOF, I have hereunto set my hand as Chairman of the Baldwin County Commission this 19th day of September, 2006.

Chairman of the Baldwin County Commission

\$4,000,000
GENERAL OBLIGATION TAXABLE WARRANT
SERIES 2006
OF
BALDWIN COUNTY, ALABAMA

Index to Transcript

1. Investment Letter
2. Opinion of Bond Counsel
3. Minutes of the County Commission on September 19, 2006
4. Certificate of Officers of the Municipality; Debt Certificate; and Revenue Commissioner's Certificate
5. Warrant

September __, 2006

Baldwin County, Alabama
Bay Minette, Alabama

Walston, Wells & Birchall, LLP
Birmingham, Alabama

Re: \$4,000,000 General Obligation Taxable Warrant, Series 2006, dated of even date herewith

Ladies and Gentlemen:

We have purchased, and do hereby acknowledge receipt on this date of, the above-referenced warrant (the "Warrant") issued by Baldwin County, a political subdivision under the laws of the State of Alabama (the "Issuer"). We understand that, under the Resolution and Order authorizing the above-noted Warrant (the "Warrant Resolution") (capitalized terms being used herein as in the Warrant Resolution), the Warrant is a general obligation of the Issuer. We further understand that the Issuer has not designated the Warrant as a "bank qualified obligation" under Section 265 of the Internal Revenue Code of 1986, as amended, and that interest on such warrant is not excludable from gross income under Section 103 of such Code. We have had full and free access to all books, records and audits of the Issuer and have been provided with and have evaluated such financial, corporate and general information respecting the Issuer and the Warrant as we deem necessary to enable us to make an informed investment judgment with respect to the purchase of the Warrant.

The engagement of Walston, Wells & Birchall, LLP as bond counsel did not include services related to the compilation, verification or furnishing to us of information regarding the merits and risks of investment in the Warrant. We have regularly bought and sold securities similar to the Warrant for the Bank's account and have knowledge and experience in financial and business matters sufficient to enable us to evaluate such merits and risks.

We are purchasing the Warrant for our own account. We are aware that the Warrant is a security and that the seller is obligated under Federal and state securities laws, among other things, fully and accurately to disclose to all persons to whom he offers to sell securities all facts material to their decision to purchase such securities. We do not presently intend to divide our interest in the Warrant with others or to resell or otherwise dispose of all or any part of the Warrant. Prior to making any sale of the Warrant or any interest therein, we intend to consult with our counsel knowledgeable in the requirements of such securities laws and to be guided by the advice of such counsel. We hereby represent that we will not sell, transfer, or otherwise distribute the Warrant or any interest in any thereof in violation of any applicable Federal or state securities laws.

We understand that no official statement, prospectus or offering circular containing material information with respect to the Issuer and the Warrant has been prepared and that, in due diligence, we have made our own inquiry and analysis with respect to the Issuer, the Warrant and the security therefor. We understand that the Warrant (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 on any stock or other securities exchange, and (c) will not carry ratings from any rating service.

This ___ day of September, 2006.

AMSOUTH BANK

By _____

Its _____

September __, 2006

Baldwin County, Alabama
Bay Minette, Alabama

AmSouth Bank
Mobile, Alabama

Re: \$4,000,000 General Obligation Taxable Warrant, Series 2006, issued by Baldwin County,
Alabama

Ladies and Gentlemen:

This opinion is rendered in connection with the issuance of the above-referenced warrant (the "Warrant") by Baldwin County, Alabama (the "County"). The Warrant is issued pursuant to an resolution and order duly adopted by the governing body of the County (the "Warrant Resolution").

We have examined the following: the unexecuted Warrant, the proceedings of the County for adoption of the Warrant Resolution; and other certificates, documents and proofs considered by us to be pertinent. In rendering this opinion we have relied upon statements set forth in certificates executed by public officials and by officers of the County.

Based upon the foregoing and upon our examination of the aforesaid proceedings and other papers submitted to us, and in reliance on the aforesaid certificates and assuming compliance with the covenants and representations in the Warrant Resolution, we are of the opinion, as of the date hereof and under existing law, that:

- (1) The Warrant is the valid and binding order upon the Treasurer of the County for the pay ment of the principal thereof and interest thereon and evidences and orders paid the valid general obligation indebtedness of the County.
- (2) Interest on the Warrant is exempt from present income taxation in the State of Alabama.

The rights of the registered owners of the Warrant and the enforceability thereof are subject to the exercise of judicial discretion, to the valid exercise of the constitutional powers of the United States of America and the sovereign police powers of the State of Alabama, and to bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the enforcement of creditors' rights heretofore or hereafter enacted.

The County has not designated the Warrant as a "bank qualified obligation" under Section 265 of the Internal Revenue Code, as amended.

You have represented that (1) our engagement as bond counsel did not include services relating to the compilation, verification or furnishing to you of information regarding the merits and risks of investment in the Warrant and you have knowledge and experience in financial and business matters sufficient to enable you to evaluate such merits and risks; (2) you have been provided with and have evaluated such financial, corporate and general information respecting the County and the Warrant as you deem necessary to make an informed investment judgment with respect to the purchase of the Warrant; and (3) you will not sell, transfer or otherwise distribute the Warrant or any interest thereof in violation of any applicable Federal or state securities laws.

Faithfully yours,

CERTIFICATE OF OFFICERS OF THE MUNICIPALITY

The undersigned duly elected, qualified and acting Chairman, Administrator and Treasurer of the Baldwin County, Alabama (the "County") hereby certify as follows:

1. The following are, and have been since prior to September 1, 2006, the duly elected, qualified and acting officers of the County:

<u>Name</u>	<u>Office</u>
Albert Lipscomb	Chairman
Wayne Gruenloh	Vice-Chairman
Frank Burt, Jr.	Member
David Ed Bishop	Member
Michael L. Thompson	County Administrator
Locke W. Williams	Clerk/Treasurer

2. Each of the aforesaid officers of the County has duly qualified and each is the acting officer holding the office stated immediately following his name.

3. Regular meetings of the Commission are held on the first and third Tuesday in each month at 8:30 o'clock a.m. as fixed by order of the Commission and publicly announced by it.

4. The population of the County according to the 2000 Federal Census was 140,415.

5. The County is now and has been for more than fifty years a political subdivision duly organized and existing and operating under the laws of Alabama. No proceedings for the dissolution of the County have ever been taken.

6. The seal affixed hereto is the officially adopted corporate seal of the County and the undersigned County Administrator is the official custodian thereof and is duly authorized to affix the same to bonds, warrants, contracts, certificates and other obligations and documents of the County and to certify copies of the minutes, proceedings and records of the County and the Commission.

7. On September 19, 2006, the Commission adopted a resolution and order (the "Warrant Resolution") authorizing the issuance of a \$4,000,000 aggregate principal amount General Obligation Taxable Warrant, Series 2006, dated of even date herewith. The Warrant Resolution has not been repealed, amended, revoked or changed and is still in full force and effect. Capitalized terms not otherwise defined herein are used as defined in the Warrant Resolution.

8. The undersigned Chairman has manually executed the Warrant and the undersigned County Administrator has manually attested the Warrant. The undersigned County Administrator has affixed the official corporate seal of the County to the Warrant. The undersigned Treasurer has registered the Warrant as a claim against the County and the Fund from which the Warrant is payable, and has manually executed the Registration Certificate appearing on the Warrant. The Warrant and the certificate of registration were in the forms provided therefor in the Warrant Resolution and have been executed as provided therein. No obligation of the County other than the Warrant has been issued pursuant to the Warrant Resolution.

9. On the date of execution of the Warrant and on this date, we were and now are the duly elected or appointed, qualified and acting officers of the County indicated by our signatures thereon and hereon.

10. We have no knowledge or information of any agreement, representation, condition, understanding or stipulation, whether oral or written or expressed or implied, respecting the authorization of the Warrant or the terms of the sale thereof, other than as set forth in the Warrant Resolution, the closing papers of which this certificate forms a part, and in the other documents which have been furnished to bond counsel, Walston, Wells & Birchall, LLP, Birmingham, Alabama, for their examination preliminary to their approval of the legality of the Warrant. None of the proceedings, records or representations which have been certified to the purchaser to whom the Warrant is delivered or to bond counsel has been repealed, amended or changed, and there has been no change in the facts affecting the Warrant.

11. There is no litigation of any nature pending or threatened in any court restraining, enjoining or in any manner questioning the validity or legality of any of the following: the corporate existence of the County; the territorial boundaries of the County; the election or title of any of the aforesaid persons as officers of the County; the Warrant; the Warrant Resolution or any term or provision thereof; the purpose for which the Warrant is issued; the constitutionality of any statute or the validity of any proceedings relative to the Warrant; the taxing power of the County to pay the Warrant; or any other matter referred to in this certificate.

12. On the date of this certificate, the Warrant was delivered to AmSouth Bank, Mobile, Alabama (the "Purchaser"). The undersigned Treasurer received from the Purchaser at the time of such delivery on behalf of the County the sum of \$4,000,000.

IN WITNESS WHEREOF, we have hereunto set our hands and affixed the official corporate seal of the County, this ____ day of September, 2006.

SEAL

Chairman

County Administrator

Treasurer

**BANK PROPOSALS RECAP
\$4,000,000 SHORT TERM WARRANT**

BANK	FIXED RATE	VARIABLE RATE		
		SPREAD	BASIS	CURRENT %
Wachovia Bank	No Bid	0.75%	30 Day LIBOR	6.08%
Colonial Bank	7.35%	-1.00%	Colonial Bank Prime Rate	7.25%
AmSouth Bank	5.99%	-2.27%	Prime Rate	5.98%
Vision Bank	7.75%	-1.00%	WSJ Prime Rate	7.25%
United Bank	7.13%	1.74%	3 Month LIBOR	7.13%
Regions Bank	6.33%	1.00%	1 Month LIBOR	6.33%
Banktrust	7.90%	2.45%	LIBOR	7.78%
First Gulf Bank	7.32%	-0.75%	Prime Rate	7.50%



COUNTY COMMISSION
BALDWIN COUNTY
FINANCE/ACCOUNTING DEPARTMENT
312 COURTHOUSE SQUARE, SUITE 11
BAY MINETTE, AL 36507

**Request for Proposal
Short Term Loan**

The Baldwin County Commission is requesting proposals to borrow four million dollars (\$4,000,000.00) on a short term basis. Request is made for both a fixed rate and a variable rate loan. Specific information is listed below. Responses must be received by 4:00 pm on Thursday (September 14, 2006). Responses must be made using the indicated spaces provided on this document. Responses should be faxed to Locke Williams, Clerk/Treasurer at 251-580-2514 or emailed to LWilliams@co.baldwin.al.us.

1. The amount of the loan is \$4,000,000.00.
2. The term is to be six months.
3. The interest will be payable at the time of principal repayment.
4. There shall not be a penalty for payoff of the loan prior to the six month term.
5. The loan is taxable and not bank qualified.
6. The purpose of the loan is to provide temporary financing of the purchase of the Regions Bank Building and property located in Robertsdale, Alabama.
7. This short term loan will be paid off using funds from permanent warrant proceeds.
8. County Bond Counsel will prepare the loan document(s).

Response:

Name of Bank: Am South Bank
 Contact Person: Mark Fillers or Jim Currie
 Telephone Number: (251) 438-8178 438-6598
 Address: 31 North Royal St. Downtown Fairhope 36530
 Email: Mark.Fillers@amsouth.com

Fixed Rate Offered: 5.99%

Variable Rate Offered: 5.98%

Basis for Variable Rate: Prime - 2.27%

Please attach any additional information you feel is pertinent. Questions should be directed to John Marino at 251-937-0365 or Locke Williams at 251-937-0282.

STATE OF ALABAMA)
COUNTY OF BALDWIN)

PURCHASE AGREEMENT

KNOW ALL MEN BY THESE PRESENTS that this Purchase Agreement (hereinafter "AGREEMENT") is made by and between AMERICAN FINANCIAL TRS, INC., a Delaware corporation, with the joinder of FIRST STATES INVESTORS 4200 LLC, a Delaware limited liability company, (hereinafter "SELLER") and the BALDWIN COUNTY COMMISSION, Baldwin County, Alabama, a political subdivision of the State of Alabama, (hereinafter "BUYER").

WITNESSETH:

WHEREAS, pursuant to Agenda item numbered L7, as unanimously approved by the Baldwin County Commission in regular session assembled on August 15, 2006, BUYER authorized the purchase of a certain parcel of real property situated within the City of Robertsdale, Alabama, which parcel is more fully described below, and further authorized staff to proceed with the purchase of said property; and

WHEREAS, SELLER and BUYER wish to reduce to writing the said offer and acceptance by this AGREEMENT, and to provide for additional terms herein.

NOW THEREFORE, in consideration of the premises and the mutual covenants contained within this AGREEMENT, the sufficiency of which is hereby acknowledged, BUYER and SELLER do hereby agree as follows:

1. **PROPERTY**. SELLER agrees to sell and BUYER agrees to buy the real

property known as the Regions Bank Building located at 22070 Highway #59, Robertsdale, Alabama 36567 (see Attachment "A"), based upon the terms and conditions below, and more specifically described as follows:

From the Southwest corner of the Southeast Quarter of Section 6, Township 6 South, Range 4 East, run thence East 38 feet and North 30 feet for a point of beginning; thence North 601 feet; thence North 89 degrees 51 minutes East 324 feet; thence South 00 degrees 17 minutes West 604 feet; thence West 321 feet to the point of beginning, which property is otherwise described as all of Block 16 in Oscar Johnson's subdivision of East Silverhill.

2. PURCHASE PRICE AND METHOD OF PAYMENT. BUYER agrees to Pay SELLER the sum of FOUR MILLION DOLLARS (\$4,000,000.00) for the subject property, together with any and all structures, improvements, shrubbery, plantings, fixtures and appurtenances, to be paid upon the execution and delivery of a Special Warranty Deed.

3. EARNEST MONEY: BUYER will deposit the sum of \$100,000.00 upon execution of this Agreement evidencing BUYER'S good faith, to be deposited in escrow by Selling Broker, A & B Realty, (herein referred to as Holder) upon acceptance of offer and to be applied to the purchase price at time of closing. If this offer is not accepted, the earnest money deposit is to be returned to the BUYER. If this offer is accepted and the title is not marketable, or other contingencies as specified which cannot be met, this deposit to be refunded upon written agreement signed by BUYER and SELLER. The parties to this Agreement understand and acknowledge that disbursement of earnest monies held by Holder/Escrow Agent can occur only as follows: (A) at closing; (B) upon written agreement signed by BUYER and SELLER; or (C) upon court order. In the event a dispute arises between BUYER and SELLER as to the final disposition of the earnest

money, Holder shall be authorized to Interplead the earnest money into a Court of competent jurisdiction. Holder shall be entitled to be compensated by the party who does not prevail in the Interpleader Action for its costs and expenses, including reasonable attorney's fees incurred in filing said Interpleader. All parties to this Agreement agree that Holder may deposit the earnest money in an interest-bearing escrow/trust account. In the event Earnest Money check is returned for insufficient funds or otherwise not honored by the bank drawn upon and BUYER has not delivered good funds to Holder within three (3) days of bank's notice to Holder, then and in that event, the SELLER, at its sole discretion, shall have the right to terminate this agreement by giving written notice to the BUYER.

4. CLOSING. The closing of this transaction shall occur on or before September 30, 2006. A period of thirty (30) days from the date of closing shall be allowed for closing if the closing is delayed by reason of title defects that can be readily corrected.

5. TITLE TO PROPERTY: Title shall be taken in the name of BALDWIN COUNTY, ALABAMA. The property is sold and is to be conveyed and subject to present zoning and flood plan classification, utility easements, covenants, restrictions and building set back lines. SELLER owned mineral rights are to be conveyed.

6. PROPERTY SURVEY. In the event that the BUYER demands an accurate survey of the property prior to closing, then the BUYER shall bear the cost of the same.

7. REPRESENTATIONS AND WARRANTIES. SELLER represents and warrants to BUYER the correctness, truthfulness and accuracy of the following representations and warranties:

a. Authority Relative to this Agreement: The execution, delivery and performance of this Agreement by SELLER will not (i) constitute a breach or a violation of any law, agreement, indenture, deed of trust, mortgage loan agreement or other instrument to which SELLER is a party, or by which SELLER is bound; (ii) constitute a violation of any order, judgment or decree to which SELLER is a party or by which SELLER's assets or properties are bound or affected; (iii) result in the creation of any lien, charge or encumbrance upon SELLER's assets or properties, except as stated herein.

b. Properties: SELLER has good and merchantable title to the real property as described above. At closing, such property will be subject to no mortgage, pledge, lien conditional sales agreement, security agreement, encumbrance or charge, secure or unsecured, except for only the following:

- (1) Lease Agreement with Regions Bank;
- (2) Lease Agreement with Baldwin County Economic Development Alliance; and
- (3) Lease Agreement with State of Alabama Department of Human Resources.

Conveyance shall be by Special Warranty Deed.

8. CLOSING COSTS. SELLER hereby agrees to pay for deed preparation, and the cost of an owner's title policy of insurance in the amount of the purchase price. BUYER shall pay closing agent settlement fees and recording fees.

9. TITLE INSURANCE COMMITMENT. The purchase is contingent upon the issuance of a title insurance commitment by a company qualified to insure titles in

Alabama insuring BUYER against loss on account of any defect or encumbrance in the title, subject to permitted exceptions attached hereto as Exhibit "B".

10. PROPERTY TAXES. Real property, ad valorem and personal property taxes, if any, for the current tax year for which the same are levied, imposed or assessed shall be prorated, and the responsibility of the SELLER as of the date of Closing. All ad valorem taxes and any rents being collected from existing tenants are to be prorated at time of closing.

11. INSPECTION RIGHT. During the period commencing on the date of this Purchase Agreement and ending twenty (20) days later, BUYER and its agents and contractors shall have the right to enter upon the Property at reasonable times to make surveys, soil tests and other studies thereof, provided that no structure or other improvement shall be disturbed. BUYER shall indemnify and hold SELLER harmless concerning these investigations or any similar claims resulting from BUYER'S consultants, and shall return the Property to the same condition as existing prior to such tests and studies.

12. GENERAL.

a. Waivers: No action taken pursuant to this Agreement, including any investigation by or on behalf of any party, shall be deemed to constitute waiver by the party taking such action of compliance with any representation, warranty, covenant or agreement contained herein or therein and in any documents delivered in connection herewith or therewith. The waiver by any party hereto of a breach of any provision of this Agreement shall not operate or be construed as a waiver of any subsequent breach.

b. Notices: All notices, requests, demands and other communications which

are required or may be given under this Agreement shall be in writing and shall be deemed to have been duly given if delivered or mailed, first class mail, postage prepaid, in writing to the other party.

c. Sections and Other Headings: This section and other headings contained in this Agreement are for reference purposes only and shall not affect the meaning of interpretations of this Agreement.

d. Governing Law: This Agreement and all transactions contemplated hereby, shall be governed by, construed and enforced in, accordance with the laws of the State of Alabama. The parties herein agree to submit to the personal jurisdiction and venue of a court of subject matter jurisdiction located in Baldwin County, State of Alabama. In the event that litigation results from or arises out of this Agreement or the performance thereof, the parties agree to reimburse the prevailing party's reasonable attorney's fees, court costs, and all other expenses, whether or not taxable by the court as costs, in addition to any other relief to which the prevailing party may be entitled. In such event, no action shall be entertained by said court or any court of competent jurisdiction if filed more than one (1) year subsequent to the date the cause(s) of action actually accrued, regardless of whether damages were otherwise as of said time calculable.

e. Time of the Essence: Time and timely performance are of the essence to this contract and of the covenants and provisions hereunder.

f. Successors and Assigns: Rights and obligations created by this contract shall be binding upon and inure to the benefit of the parties hereto, their successors and

assigns. Whenever used, the singular number shall include plural, the plural the singular, and the use of any gender shall include all genders.

13. INDEMNIFICATION. SELLER agrees to indemnify and hold BUYER harmless from any and all fees or commissions payable to persons and firms retained by SELLER.

(a) Real Estate Consumer's Agency Disclosure: The listing company, A & B Realty, is an agent of the SELLER. The Selling Company, A & B Realty, is assisting the BUYER.

14. CASUALTY LOSS. If, prior to transfer of title, the value of the Property is materially impaired by fire, casualty, act of God or exercise of eminent domain powers, BUYER (at BUYER's sole option) shall have the right to either (i) terminate this Purchase Agreement by giving written notice to SELLER, or (ii) reduce the Purchase Price by an amount mutually agreed to compensate for the amount of the casualty loss. For purposes of this Purchase Agreement, "materially impaired" is defined as more than ten percent (10%) of the value of the Real Property being damaged or taken.

15. INABILITY TO CONVEY TITLE. Notwithstanding anything to the contrary herein, in the event SELLER is unable to convey title in accordance with the terms of this Purchase Agreement (whether because of a defect in title or otherwise) or to otherwise perform hereunder, then in such event this Purchase Agreement shall be null and void, and neither party shall have any liability to the other; provided, however, BUYER shall have the option to accept such title as SELLER can convey, without any claim against SELLER and without any diminution in the Purchase Price.

16. MERGE CLAUSE. All agreements, terms and conditions regarding this

transaction between SELLER and BUYER are contained herein. The parties agree that there are no other agreements or transactions other than those stated herein and if any so exist they are merged within this document. If this Purchase Agreement shall contain any term or provision which shall be determined to be invalid or against public policy, then the remaining provisions of this Purchase Agreement shall not be affected and shall remain in full force and effect.

17. TERMITE BOND: BUYER may obtain, at BUYER'S expense, written evidence, from a bonded and licensed termite control company, that a visual inspection by them of accessible areas of the dwelling is free from active infestation by wood-destroying insects or fungus and damage caused by currently active infestation. The current termite contract, if any, is to be transferred to BUYER at BUYER'S expense.

18. PROPERTY ASSESSMENTS: Property assessments which become a lien on the property prior to the execution of this Purchase Agreement shall be paid by the SELLER, without proration. Any public improvements, now installed but not yet a lien, shall be paid by BUYER.

19. POSSESSION OF PROPERTY: Possession of the property is to be given to BUYER at closing.

20. MISCELLANEOUS: This offer is subject to structural analysis and other building – related due diligence matters satisfactory to the BUYER within twenty (20) days of offer acceptance, and subject to BUYER underwriters indicating that long term financing for the purchase and renovation can proceed.

21. DEFAULT: In the event that BUYER fails to consummate this Agreement, SELLER shall have the right to pursue any remedy available at law or in

equity as a result of such breach, including specifically, without limitation, the right (a) to retain the earnest money, (b) the right to enforce specific performance of this agreement, and (c) the right to terminate this agreement, and thereafter recover damages against BUYER for breach by BUYER thereof.

In the event that SELLER fails to consummate this Agreement, BUYER shall have the right to pursue any remedy available at law or in equity as a result of such breach, including specifically, without limitation, the right (a) to receive the return of the earnest money, (b) the right to enforce specific performance of the obligation of SELLER to execute the documents required to convey the Real Property to BUYER, and (c) the right to terminate this Agreement and thereafter recover damages against SELLER for breach by SELLER thereof.

22. DISCLOSURE: The purchase price and terms of this sale may be disclosed, after closing, by the real estate companies for use in the ordinary conduct of their business. Real Estate Brokers/Sales Associates may benefit financially as a result of recommending real estate-related services to clients and customers. All parties to this Agreement are advised to also seek other services or compare cost of services in these related fields and do business with whomever or wherever is most desirable to them.

23. BUYER and SELLER hereby acknowledge and confirm that this Purchase Agreement states the entire agreement between the parties hereto and no modification of this Agreement shall be binding unless attached hereto and signed by both BUYER and SELLER.

24. The facsimile transmission of a signed copy hereof to the other party or his/her Sales Associate, followed by facsimile acknowledgment of receipt, shall

constitute delivery of said signed document. The parties agree to affirm such delivery by mailing or personally delivering a signed original copy to the other party or his/her Sales Associate.

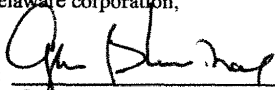
25. All parties to this Purchase Agreement understand and acknowledge that Listing Brokers/Selling Brokers and/or Sales Associates are not parties to this Purchase Agreement and as such do not assume any liability for performance or nonperformance of any parties to this Agreement.

IN WITNESS WHEREOF, this Agreement has been executed by each of the individual parties hereto and signed by an officer thereunto duly authorized and attested under the corporate seal of the Secretary of the Corporate party hereto, if any.

SELLER:

AMERICAN FINANCIAL TRS, INC.
a Delaware corporation,

BY:

 1/8/20/06
Glen Blumhert Date
As its VICE-PRESIDENT

BUYER:

BALDWIN COUNTY, ALABAMA, a
political subdivision of the State of Alabama

ATTEST:

Michael L. Thompson Date
Clerk/Treasurer

BY: _____
Albert Lipscomb Date
Chairman

JOINDER

WITH THE JOINDER OF First States Investors 4200 LLC, a Delaware limited liability company, for the sole purpose of conveying legal title to the Property to Buyer.

FIRST STATES INVESTORS 4200 LLC
a Delaware limited liability company

BY: [Signature] / 8/28/06
/Date
NAME: Glenn Blumenthal
TITLE: Vice President

STATE OF _____
COUNTY OF _____

I, the undersigned authority, a Notary Public, within and County and State, hereby certify that _____, whose name as _____ of American Financial TRS, Inc. a Delaware corporation, and whose name is signed to the foregoing instrument and who is known to me, acknowledged before me on this day that, being informed of the contents of said instrument, he/she, with full authority, executed the same voluntarily on the day the same bears date.

Given under my hand and seal on this the ____ day of _____, 2006.

NOTARY PUBLIC
My Commission Expires: _____

STATE OF PENNSYLVANIA
COUNTY OF _____

I, the undersigned authority, a Notary Public, within and County and State, hereby certify that _____, whose name as _____ of First States Investors 4200, LLC, a Delaware limited liability company, and whose name is signed to the foregoing instrument and who is known to me, acknowledged before me on this day that, being informed of the contents of said instrument, he/she, with full authority, executed the same voluntarily on the day the same bears date.

Given under my hand and seal on this the ____ day of _____, 2006.

NOTARY PUBLIC
My Commission Expires: _____

ATTACHMENT "A"

Baldwin County

Parcel Search

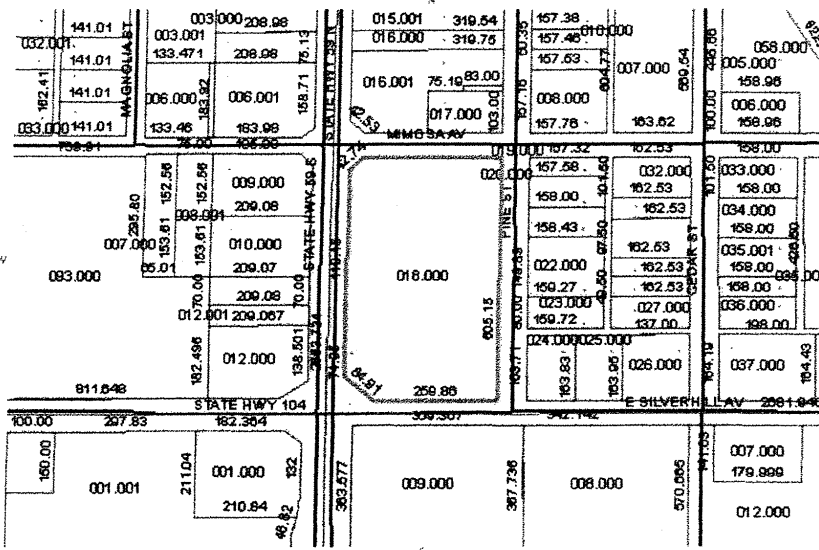
PIN:
1683

PID:

Owner:

Address:

Go
Enter one or more
pieces of information
and hit 'Go'.



Any information or content contained within Baldwin County's internet mapping viewer is as distributed by the Baldwin County Commission. It is derived from a variety of public and private sources and is provided for the county's convenience and use only. The Baldwin County Commission does not warrant, represent or assume any liability for the accuracy, completeness, timeliness, or reliability of the information or data contained in or generated from the County's mapping viewer. The Baldwin County Commission or any agent, servant, or employee thereof shall not be liable for any errors or omissions in the data, and assume no responsibility to maintain it in any manner.

The map limits and planning jurisdiction boundaries were created by the Baldwin County Planning & Zoning Department. Please check with the cities to obtain accurate boundaries.

Buyer - Title

Buyer - Title

J. C. King
Agent

Glenn Blumenthal
Buyer, Title

Glenn Blumenthal, Vice President

Exhibit *B*

Permitted Exceptions

1. Current real estate taxes that are not yet due and payable.
2. Such facts or conditions that an inspection or accurate survey would disclose.
3. Restrictions and other matters appearing on the plat or otherwise common to the subdivision.
4. Existing zoning laws, ordinances and regulations and other laws, ordinances and regulations respecting the Property, and any violations thereof.
5. Assessments for improvements begun or completed after the date of this Agreement.
6. All easements, restrictions and agreements of record provided that such easements, restrictions and agreements do not prohibit the Purchaser's intended use of the Property.
7. Outstanding oil, gas and mineral rights of record without right of entry.
8. The other exceptions to title set forth of record.

2.) SHOULD THE OWNER ACCEPT SUCH OFFER TO PURCHASE

AUTHORIZE THE LEGAL DEPARTMENT TO PREPARE A PURCHASE AGREEMENT FOR THE PROPERTY, TO INCLUDE THE TERMS LISTED ABOVE AND SUCH OTHER TERMS AS MAY BE REQUIRED, AND FURTHER AUTHORIZE THE CHAIRMAN TO EXECUTE THE PURCHASE AGREEMENT AND CLOSING DOCUMENTS FOR THE PURCHASE, AND

FURTHER AUTHORIZE THAT THE PURCHASE AMOUNT OF APPROXIMATELY \$24,500.00 PER ACRE FOR THE PROPERTY BE INCLUDED IN THE UPCOMING WARRANT ISSUE.

Commissioner Gruenloh said the County is now going to enter into a Purchase Agreement for the property for \$24,500.00 per acre, in the total amount of \$2,245,000.00. The Commission has not seen the Purchase Agreement, purchase document where the owner repurchased the property, the appraisal or nothing else and does not care to see anything. Commissioner Gruenloh said that is the conclusion he has come to. Is this correct? Commissioner Gruenloh said he wants a cemetery as much as everyone else, but he cannot understand how the Commission can do this.

Commissioner Bishop said normally, he would feel the same but in this particular case, he feels that the County bid \$3.2 million for the property and did not get it. The price that was paid for the property was \$23,839.00 per acre. With the additional costs that have been accrued, Commissioner Bishop feels the price of \$24,500.00 per acre is very close.

Commissioner Gruenloh asked that the Commission consider amending the motion to obtain the copy of the purchase document related to where the owner purchased the property.

Commissioner Burt said any staff member can get the purchase price.

Mr. Williams said he will get the information but is not sure if he can obtain the information today. The offer is for the acquisition cost on a per acre basis, incurred by the owner, plus the interest cost incurred or accrued. The owner has to show and prove to the County that information. Typically, an offer includes a price per acre. That is why he said approximately \$24,000.00 to begin with and that is still why he is saying approximately \$24,500.00 per acre.

Commissioner Gruenloh said he is fine with that and feels much better about this knowing that Mr. Williams will substantiate the acquisition costs with documentation.

UNANIMOUS.

Colonel William E. Callender, Chairman of the South Alabama Veterans Council Cemetery Committee appeared before the Commission and thanked the Commission. This is a great first step and it makes Baldwin County, Alabama, and its veterans proud.

(L2) - GENERAL OBLIGATION TAXABLE WARRANT RESOLUTION AND RELATED WARRANT CLOSING DOCUMENTS TO FINANCE THE PURCHASE OF THE ROBERTSDALE REGIONS BUILDING AND PROPERTY

On August 15, 2006, the Commission authorized final sizing of the 2006-C Warrant issue projects to be \$20,700,000.00, and further authorized staff to proceed with the financing.

On August 15, 2006, the Commission authorized offer to purchase the Robertsdale Regions Bank Building for \$4 million, subject to structural analysis and other building-

related due diligence matters satisfactory to the County within twenty days of offer acceptance, and subject to County underwriters indicating that long-term financing for the purchase and renovation can proceed, and further, authorized the remittance of \$100,000.00 in earnest money with the offer to purchase, authorized staff to negotiate the most advantageous closing terms possible for the purchase, closing to occur no later than forty-five days after offer acceptance, and authorized the Chairman to execute such documents and closing documents upon review of Chief Counsel to effect the purchase and closing.

On September 5, 2006, the Commission Approved Investment Banking Agreement with The Frazer Lanier Company for the upcoming 2006 Warrants.

On September 5, 2006, the Commission adopted Resolution Number 2006-160, which states, among other things, the Commission 1.) desires to purchase and renovate the Regions Bank Building and property in Robertsdale in lieu of proceeding further with Series 2006-A projects of the a.) Sheriff's Building Addition in Robertsdale, b.) Highway Administration Building and c.) Office Building at Central Annex, and 2.) takes the unexpended balance of \$3,990,740 in Series 2006-A Warrant proceeds for the projects listed above, and reallocates said unexpended balance to cost overruns in the Series 2006-A projects of the a.) Bay Minette Courthouse Renovation \$1,126,638, b.) Central Annex Phase III \$201,408, and c.) Girls Wilderness Facility \$2,662,694, totaling \$3,990,740.

On September 19, 2006, the Commission will have considered the following earlier in the same September 19, 2006 regular meeting: 1) authorize the establishment of a Baldwin County Public Building Authority (PBA) to finance most of the (previously) authorized Series 2006-C building projects, the intention being that the Baldwin County PBA will issue two Series of debt, one Series for the DHR Building in Robertsdale, and one Series for most of the other Series 2006-C building projects. 2) authorize the preparation of the document(s) to establish the Baldwin County PBA, with the understanding that such document(s) will require subsequent formal consideration by the Commission. 3) acknowledge that the Robertsdale Regions Bank Building structural analysis and other building-related due diligence matters are satisfactory to the County. 4) authorize the initial financing of the \$4 million offer price for the Robertsdale Regions Bank Building and property with a General Obligation Warrant for a six-month term, with no prepayment penalty, so that funds will be available at the purchase closing for the Building and property. 5) authorize the solicitation of rate quotes from in-county banks for, and the preparation of, such General Obligation Warrant for a six-month term for the purchase of the Robertsdale Regions Bank Building and property, for subsequent formal consideration by the Commission.

The purchase closing on the Robertsdale Regions Bank Building and property is anticipated to occur at the conclusion of this month. With the September 19, 2006 regular meeting being the last regular meeting prior to such anticipated closing, a \$4 million bank loan in the form of a General Obligation Taxable Warrant for a six-month term, with no premium or penalty if redeemed within such six months, has been prepared by Bond Counsel, in order to have the funds available at closing to purchase the Robertsdale Regions Building and property.

In order to proceed with such General Obligation Taxable Warrant, on Tuesday, September 12, 2006, Accounting staff requested rate quotes from all in-county banks. Attached is a tabulation worksheet of the rate proposals received from the eight in-county banks that responded by the Thursday, September 14, 2006 deadline:

**BANK PROPOSALS RECAP
\$4,000,000 SHORT TERM WARRANT**

BANK	FIXED RATE	SPREAD	VARIABLE RATE	
			BASIS	CURRENT %
Wachovia Bank	No Bid	0.75%	30 Day LIBOR	6.08%
Colonial Bank	7.35%	-1.00%	Colonial Bank Prime Rate	7.25%
AmSouth Bank	5.99%	-2.27%	Prime Rate	5.98%
Vision Bank	7.75%	-1.00%	WSJ Prime Rate	7.25%
United Bank	7.13%	1.74%	3 Month LIBOR	7.13%
Regions Bank	6.33%	1.00%	1 Month LIBOR	6.33%
Banktrust	7.90%	2.45%	LIBOR	7.78%
First Gulf Bank	7.32%	-0.75%	Prime Rate	7.50%

AmSouth Bank submitted the lowest (best) interest rate proposal for both a fixed (5.99%) and a variable (5.98%) rate. See AmSouth's proposal response attached. Since AmSouth's fixed rate was only one basis point higher than their variable rate, and since the variable rate could go up in the near future, the Clerk/Treasurer had Bond Counsel proceed with preparing the General Obligation Taxable Warrant documents using AmSouth's 5.99% fixed rate.

The \$4 million General Obligation Taxable Warrant principal and interest will be rolled into the long-term warrant financing to be issued by the County.

Locke Williams, Clerk/Treasurer, appeared before the Commission to give an explanation of the background.

Commissioner Bishop asked if obligations that are not self-financed obligations would roll in to the County PBA? Mr. Williams said they would not. Mr. Williams said the \$4 million General Obligation Taxable Warrant may roll into long term financing to be issued by the County, but not the PBA.

MOTION BY COMMISSIONER GRUENLOH, SECONDED BY COMMISSIONER BISHOP, TO FINANCE THE PURCHASE OF THE ROBERTSDALE REGIONS BUILDING AND PROPERTY FOR A PERIOD NOT TO EXCEED SIX MONTHS, WITH NO PREMIUM OR PENALTY IF THE FINANCING IS REDEEMED WITHIN SUCH SIX MONTHS, ADOPT THE FOLLOWING *RESOLUTION AND ORDER NO. 2006-166*, A RESOLUTION AND ORDER AUTHORIZING THE ISSUANCE OF \$4,000,000.00 PRINCIPAL AMOUNT GENERAL OBLIGATION TAXABLE WARRANT, SERIES 2006, TO BE DATED THE DATE OF ISSUANCE, AND MAKING PROVISION FOR THE PAYMENT THEREOF:

**“RESOLUTION AND ORDER NO. 2006-166”
CAN BE FOUND
AT THE END OF THIS MEETING**

"Click here to go there!"

FURTHER, AUTHORIZE THE CHAIRMAN, COMMISSIONERS, ADMINISTRATOR, CLERK/TREASURER, AND CHIEF COUNSEL IF NECESSARY, TO EXECUTE THE WARRANT, *RESOLUTION AND ORDER NO. 2006-166* AND MINUTES THERETO, AND REQUISITE GENERAL OBLIGATION TAXABLE WARRANT CLOSING DOCUMENTS, PREPARED BY COUNTY BOND COUNSEL, IN ORDER TO RECEIVE THE PROCEEDS OF SUCH WARRANT. UNANIMOUS.

(M) - PUBLIC COMMENT

Mr. Arthur Oken reappeared before the Commission to express his appreciation to the county for moving forward in creating a Veteran's Cemetery in Baldwin County which is referenced earlier in the meeting under *Agenda Item FA5*.

**EXCERPTS FROM THE MINUTES OF A REGULAR MEETING OF
THE COUNTY COMMISSION OF BALDWIN COUNTY, ALABAMA**

The Baldwin County Commission, met in regular public session at the Baldwin County Administration Building in the City of Bay Minette, Alabama, at 8:30 o'clock a.m. on the 19th day of September, 2006.

The meeting was called to order by the Chairman, and the roll was called with the following results:

Present: Albert Lipscomb, Chairman
 Wayne Gruenloh
 Frank Burt, Jr.
 David Ed Bishop

Absent: None

The Chairman stated that a quorum was present and that the meeting was open for the transaction of business.

* * *

Thereupon, the following resolution and order was introduced in writing by the Clerk/Treasurer, read by the County Administrator and considered by the County Commission:

RESOLUTION AND ORDER NO. 2006-166

A RESOLUTION AND ORDER AUTHORIZING THE ISSUANCE OF \$4,000,000
PRINCIPAL AMOUNT GENERAL OBLIGATION TAXABLE WARRANT, SERIES
2006, TO BE DATED THE DATE OF ISSUANCE, AND MAKING PROVISION FOR
THE PAYMENT THEREOF

BE IT RESOLVED AND ORDERED BY THE BALDWIN COUNTY COMMISSION, as follows:

Section 1. Definitions and Use of Phrases. The following words and phrases and others evidently intended as the equivalent thereof shall, in the absence of clear implication herein otherwise, be given the following respective interpretations herein:

“Depository” means AmSouth Bank, Mobile, Alabama.

“Warrant” means the County’s General Obligation Taxable Warrant, Series 2006, to be dated the date of issuance.

The definitions set forth in this section shall be deemed applicable whether the words defined are used herein in the singular or the plural. Wherever used herein, any pronoun or pronouns shall be deemed to include both singular and plural and to cover all genders.

Section 2. Findings and Representations.

(i) The County, by and through its County Commission, does hereby find, determine, represent, and warrant that the net assessed valuation of the taxable property in the County for the preceding fiscal year (ending September 30, 2005) is not less than \$3,163,748,112 and the total indebtedness of the County (including the Warrant) chargeable against the debt limitation for the County prescribed by the Constitution of the State of Alabama is not more than twenty percent of said assessed valuation.

(ii) The County has determined that it is in the best interest of its citizens for it to acquire the Regions Bank Building in Robertsdale, Alabama.

(iii) The County has received proposals from eight banks concerning the financing of the Regions Bank Building through the issuance of a general obligation taxable warrant and it has been determined that the proposal of AmSouth Bank should be accepted as the one most beneficial to the County.

(iv) The proceeds of the Warrant shall be applied to acquire the Regions Bank Building and related property and to reimburse the County's General Fund for \$100,000 heretofore paid by the County as earnest money in connection with the acquisition of such Building.

(v) The County anticipates that the Warrant will be retired within the next six months from the proceeds of a permanent warrant issue. The Regions Bank Building, subject to existing leases, will be used by the County, and its departments and related agencies for governmental operations and functions.

(vi) The County hereby declares its intent to issue permanent warrants to retire the Temporary Warrant. Such permanent warrants will be issued in two separate series, one a tax-exempt issue and one a taxable issue.

Section 3. Authorization and Description of Warrant. (a) Pursuant to the applicable provisions of the laws of the State of Alabama, including particularly Chapter 28 of Title 11 of the CODE OF ALABAMA 1975, as amended, there is hereby authorized to be issued a "General Obligation Taxable Warrant, Series 2006" in the principal amount of \$4,000,000. The Warrant shall be dated the date of its initial issue, and shall be in registered form, without coupons. The principal of the Warrant shall mature on April 1, 2007 and may be redeemed, in whole or in part, prior to the final maturity date without premium or penalty. The Warrant shall bear interest payable at the per annum rate of 5.99% until paid in full.

(b) The principal and interest on the Warrant shall be payable on April 1, 2007 only upon presentation and surrender of the Warrant at the office of the Depository in Mobile, Alabama. The principal of and interest on the Warrant shall be payable in lawful money of the United States at par and without discount, exchange, deduction or charge therefor.

Section 4. Redemption of Warrant. (a) The Warrant shall be optionally redeemable, in whole or in multiples of \$1,000, at the option of the County on any date at a redemption price equal to 100% of the principal amount redeemed plus accrued interest to the date fixed for redemption, without premium or penalty.

(b) Notice of any optional redemption shall be sent by United States registered or certified mail to the registered owner of the Warrant not less than three (3) nor more than thirty (30) days prior to the date fixed for redemption. If any principal portion so redeemable shall have been called for redemption, interest thereon shall cease to accrue from and after the date fixed for redemption unless default shall be made in the payment of the redemption price thereof.

(c) The record of all redemptions of principal of the Warrant shall be maintained by the Depository and the record of the Depository as to the then outstanding principal amount of the Warrant shall be binding and conclusive on all parties, the County, the Depository and the holder of the Warrant, in the absence of manifest error. Any transferee of the Warrant shall be required to verify with the Depository the principal amount thereof then outstanding and unpaid.

Section 5. Form of the Warrant. The form of the Warrant and the requisite certificates thereof shall be substantially as follows, with appropriate changes, variations and insertions as provided herein:

(Form of Warrant)

UNITED STATES OF AMERICA
STATE OF ALABAMA
BALDWIN COUNTY
GENERAL OBLIGATION TAXABLE WARRANT
SERIES 2006

FINAL MATURITY DATE

April 1, 2007

INTEREST RATE

5.99%

BALDWIN COUNTY, a political subdivision of the State of Alabama (herein called the "County") for value received, hereby acknowledges itself indebted to AmSouth Bank, Mobile, Alabama, or registered assigns in the principal sum of

FOUR MILLION DOLLARS (\$4,000,000)

and hereby orders and directs the Treasurer of the County to pay to said payee or registered assigns solely from the Fund hereinafter designated said sum in principal installments as specified below, and to pay from said Fund interest on said unpaid principal amount from the date hereof at the per annum Interest Rate specified above. Interest shall be computed on the basis of a 360-day year with twelve months of thirty days each. The principal of and interest on this warrant are payable in lawful money of the United States of America, at par and without deduction for exchange or costs of collection. The principal of the Warrant shall mature, and the interest hereon shall be payable, on April 1, 2007 and may be redeemed, in whole or in part, prior to the final maturity date without premium or penalty. The Warrant shall bear interest payable at the per annum rate of 5.99% until paid in full. Such principal and interest shall be payable at final maturity or upon redemption in whole only upon presentation and surrender of this warrant at the office of AmSouth Bank in Mobile, Alabama

(the "Depository"). The principal and interest on this warrant shall be paid in immediately available funds to the person entitled thereto at its address appearing on the registration books of the County maintained by the Depository. All such payments shall be valid and effectual to satisfy and discharge the liability of the County or the Depository upon this warrant to the extent of the sum or sums so paid.

This warrant is the duly authorized General Obligation Taxable Warrant, Series 2006, of the County and is limited to an aggregate principal amount of \$4,000,000 and issued pursuant to the Constitution and laws of the State of Alabama, as amended, including the provisions of Chapter 28 of Title 11 of the CODE OF ALABAMA 1975, as amended, and a resolution and proceedings of the County duly passed, held and conducted (the "Authorizing Resolution"). The indebtedness evidenced by this warrant is a general obligation of the County, and the full faith and credit of the County are hereby sacredly and irrevocably pledged to the punctual payment of the principal thereof and interest thereon. The Warrant is not bank qualified under Section 265(b) of the Internal Revenue Code of 1986, as amended.

The County has established a special fund designated "Series 2006 General Obligation Taxable Warrant Fund" (the "Fund") for the payment of the principal of and interest on this warrant and has obligated itself to pay or cause to be paid into the Fund from the taxes, revenues or funds of the County sums sufficient to provide for the payment of the principal of and interest on the warrant as the same mature and come due.

This warrant shall be subject to redemption, in whole or in multiples of \$1,000, at the option of the County on any date at a redemption price equal to 100% of the principal amount redeemed, plus accrued interest to the date fixed for redemption, without premium or penalty.

The record of all prepayments of principal of this warrant shall be maintained by the Depository and the record of the Depository as to the then outstanding principal amount of this warrant shall be binding and conclusive on all parties, the County, the Depository and the holder of this warrant, in the absence of manifest error. If the registered owner hereof shall assign this warrant by execution of the Assignment attached hereto, the assignee shall surrender this warrant to the Depository for a verification of the principal amount hereof and interest hereon paid or prepaid, and **EVERY ASSIGNEE HEREOF SHALL TAKE THIS WARRANT SUBJECT TO SUCH CONDITION.**

Notice of any optional redemption shall be sent by United States registered or certified mail to the registered owner of this warrant not less than three (3) nor more than thirty (30) days prior to each proposed redemption date. Notice having been so given and payment of the redemption price having been duly made or provided, interest on the principal portion hereof so called for redemption shall cease to accrue from and after the date fixed for redemption unless default shall be made in the payment of the redemption price thereof.

This warrant is issuable only as a fully registered warrant. This warrant may be transferred by the registered owner in person or by authorized attorney, only on the books of the Depository and only upon surrender of this warrant to the Depository with a written instrument of transfer acceptable to the Depository executed by the registered owner or his duly authorized attorney, for notation of the new registered owner thereon and upon any such transfer, no new warrant shall be issued to the transferee in exchange therefor. Each registered owner, by receiving or accepting this warrant, shall consent and agree and shall be estopped to deny that insofar as the County and the Depository are concerned, this warrant may be transferred only in accordance with the provisions of the Authorizing Resolution. Provision is made in the Authorizing Resolution for the replacement of this warrant if it shall be or become mutilated, lost, stolen or destroyed by the issuance, authentication and registration of a new warrant of like tenor, subject, however, to the terms, conditions and limitations contained in the Authorizing Resolution with respect thereto.

The Depository shall not be required to transfer or exchange this warrant during the period of fifteen (15) days next preceding April 1, 2007; and in the event that this warrant (or any principal part thereof) is duly called for redemption, the Depository shall not be required to register or transfer this warrant during the period of ten (10) days next preceding the date fixed for such redemption. No charge shall be made for the privilege of transfer, but the registered owner of this warrant requesting any such transfer shall pay any tax or other governmental charge required to be paid with respect thereto.

It is hereby recited, certified and declared that the indebtedness evidenced and ordered paid by this warrant is lawfully due without condition, abatement or offset of any description, that this warrant has been registered in the manner provided by law, that all acts, conditions and things required by the Constitution and laws of the State of Alabama to happen, exist and be performed precedent to and in the execution, registration and issuance of this warrant, and the adoption of the Authorizing Resolution, do exist and have been performed as so required and that the principal amount of this warrant, together with all other indebtedness of the County, are within every debt and other limit prescribed by the Constitution and laws of the State of Alabama.

IN WITNESS WHEREOF, the County has caused this warrant to be executed in its name and on its behalf by its Chairman, and attested by its County Administrator, and its corporate seal to be affixed hereto, and has caused this warrant to be dated September __, 2006.

BALDWIN COUNTY

SEAL

By _____
Its Chairman

Attest: _____
County Administrator

AUTHENTICATION AND REGISTRATION DATE:

AUTHENTICATION AND REGISTRATION CERTIFICATE

This Warrant is hereby authenticated and has been registered by Baldwin County on the registration books maintained with the Depository in the name of the above-named registered owner on the Authentication and Registration Date noted above.

AMSOUTH BANK
Mobile, Alabama

By _____
Its Authorized Officer

REGISTRATION CERTIFICATE

I hereby certify that this warrant has been duly registered by me as a claim against Baldwin County, in the State of Alabama, and the Warrant Fund referred to herein.

Treasurer of Baldwin County, Alabama

ASSIGNMENT

For value received _____ hereby sell(s), assign(s) and transfer(s) unto _____ the within warrant and hereby irrevocably constitute(s) and appoint(s) _____ attorney, with full power of substitution in the premises, to transfer this warrant on the books of the within mentioned Depository.

Dated this ____ day of _____, _____.

NOTE: The signature on this assignment must correspond with the name of the registered owner as it appears on the face of the within warrant in every particular, without alteration, enlargement or change whatsoever.

Signature Guaranteed:

(Bank, Trust Company or Firm)

By _____
(Authorized Officer)

Section 6. Execution of the Warrant, Registration Certificate and Authentication and Registration Certificate. The Warrant shall be executed in the name and on behalf of the County by the Chairman, and shall be attested by the County Administrator, and the official seal of the County shall be impressed thereon. The Warrant shall be registered by the Treasurer of the County, in the records maintained by the said Treasurer, as a claim against the County and the Warrant Fund. The certificate of registration on the Warrant shall be executed by the Treasurer of the County. Said officers are hereby directed to so execute, attest and register the Warrant. In case any officer whose signature shall appear on the Warrant shall cease to be such officer before the authentication and delivery of such Warrant, such signature shall nevertheless be valid and sufficient for all purposes, the same as if he or she had remained in office until authentication and delivery.

Section 7. General Obligation; The Warrant Fund.

(a) The indebtedness evidenced and ordered paid by the Warrant shall be a general obligation of the County for the punctual payment of the principal of and interest on which the full faith, credit and taxing power of the County are hereby sacredly and irrevocably pledged. The County represents that ad valorem taxes have been levied and hereby covenants and agrees that such taxes will be levied and collected, insofar as

such taxes may be permitted by the present or any future provisions of the Constitution of Alabama of 1901, as amended, on all taxable property in the County, and applied to the maximum extent permitted by law to the payment of the principal of and interest on the Warrant as such principal matures and such interest comes due, in amounts sufficient for such purposes.

(b) The County shall pay or cause to be paid into the Series 2006 General Obligation Taxable Warrant Fund hereby created from the proceeds of the taxes, revenues or funds of the County, on or before April 1, 2007, an amount equal to the principal maturing and the interest coming due on April 1, 2007.

Moneys on deposit in the Warrant Fund shall be used to pay the principal of and interest on the Warrant as such principal and interest mature and become due.

Section 8. Sale and Delivery of Warrant; Closing Papers. The Warrant is hereby sold to AmSouth Bank, Mobile, Alabama, upon the payment to the County of the purchase price of the par value or principal amount of the Warrant. The County Commission has determined that the sale of the Warrant to such purchaser on such terms is most advantageous to the County. The Warrant shall be delivered to such purchaser upon the payment to the County of the aforesaid purchase price. The Chairman and the County Administrator and County Treasurer, or any of them, are hereby authorized and directed to effect such delivery and in connection therewith to deliver such closing papers, documents and contracts containing such representations as are required to demonstrate: the legality and validity of the Warrant as herein provided; the exemption of interest on the Warrant from State of Alabama income taxation; and the absence of pending or threatened litigation with respect to any of such matters. The County Treasurer shall give a receipt to the said purchaser for the purchase price paid, and such receipt shall be full acquittal to the said purchaser and the said purchaser shall not be required to see to, or be responsible for, the application of the proceeds of the Warrant. Nevertheless, the proceeds of the Warrant shall be held in trust and applied solely for the purpose specified in this resolution.

Section 9. Application of Proceeds of Warrant. The proceeds from the sale of the Warrant shall be deposited by the Treasurer of the County into a special fund and used to pay the acquisition, rehabilitation, and equipment cost associated with the Regions Bank Building (including the reimbursement of \$100,000 to the County's General Fund) and to pay all issuance and related expenses in connection with the acquisition of such Building.

Section 10. Provisions of Resolution a Contract. The terms, provisions and conditions set forth in this resolution constitute a contract between the County and the registered owner of the Warrant and shall remain in effect until the principal of and interest on the Warrant shall have been paid in full.

Section 11. Severability. The provisions of this resolution are severable. In the event that any one or more of such provisions or the provisions of the Warrant shall, for any reason, be held illegal or invalid, such illegality or invalidity shall not affect the other provisions of this Resolution or of the Warrant, and this resolution and the Warrant shall be construed and enforced as if such illegal or invalid provision had not been contained herein or therein.

Adopted this 19th day of September, 2006.

Albert Lipscomb
Chairman

SEAL

Attest: Michael L. Thayer
County Administrator

After said resolution and order had been discussed and considered in full by the County Commission, it was moved by Comm. Gruenloh that said resolution and order be now adopted. The motion was seconded by Comm. Bishop. The question being put as to the adoption of said motion and the passage and adoption of said resolution and order, the roll was called with the following results:

Ayes: Albert Lipscomb, Chairman
Wayne Gruenloh
Frank Burt, Jr.
David Ed Bishop

Nays: None

The Chairman thereupon declared said motion carried and the resolution and order passed and adopted as introduced and read.

* * *

There being no further business to come before the meeting, it was moved and seconded that the meeting be adjourned. Motion carried.

Minutes approved:

Albert Lipscomb
Albert Lipscomb, Chairman

Wayne Gruenloh
Wayne Gruenloh, Member

Frank Burt, Jr.
Frank Burt, Jr., Member

David Ed Bishop
David Ed Bishop, Member

SEAL

Attest: Michael L. Thayer
Clerk

STATE OF ALABAMA)

BALDWIN COUNTY)

CERTIFICATE OF CHAIRMAN
OF THE BALDWIN COUNTY COMMISSION

I, the undersigned, do hereby certify that I am the duly elected, qualified and acting Chairman of the Baldwin County Commission. I do further certify that: as Chairman of the Baldwin County Commission I have access to all original records of the County and I am duly authorized to make certified copies of its records on its behalf; the above and foregoing pages constitute a complete, verbatim and compared copy of excerpts from the minutes of a regular meeting of the Baldwin County Commission duly held on the 19th day of September, 2006, the original of which is on file and of record in the minute book of the Baldwin County Commission in my custody; the Resolution and order set forth in such excerpts is a complete, verbatim and compared copy of such Resolution and order as introduced and adopted by the County Commission on such date; and said Resolution and order is in full force and effect and has not been repealed, amended or changed.

IN WITNESS WHEREOF, I have hereunto set my hand as Chairman of the Baldwin County Commission this 19th day of September, 2006.


Chairman of the Baldwin County Commission

Meeting Type: BCC Regular Meeting
Meeting Date: 9/20/2019
Item Status: Addendum
From: David Conner, County Attorney
Submitted by: [Click or tap here to enter text.](#)

ITEM TITLE

Proposed Amendment to that Certain Lease Agreement Dated June 15, 2005, as Amended, Between Regions Bank and Baldwin County

STAFF RECOMMENDATION

Take the following actions:

- 1) Authorize the Chairman to execute any and all documents deemed necessary to amend that certain Lease Agreement dated June 15, 2005, as amended, ("Lease"), whereby Regions Bank ("Regions") as Tenant, and Baldwin County, Alabama, as Landlord and Assignee of Downtown Properties Group, LLC, agree that the time for providing notice to exercise the option referred to in Paragraph 2.2.1 of the Lease is changed from September 30, 2019, to December 30, 2019, subject to any changes deemed necessary by the Chairman and the County Attorney. All other terms of the Lease shall remain unchanged; and
- 2) The County Commission hereby authorizes staff and the County Attorney to take any and all action deemed necessary to effect such extension of time as set forth above.

BACKGROUND INFORMATION

Previous Commission action/date: [N/A](#)

Background: [N/A](#)

FINANCIAL IMPACT

Total cost of recommendation: [N/A](#)

Budget line item(s) to be used: [N/A](#)

If this is not a budgeted expenditure, does the recommendation create a need for funding? [N/A](#)

LEGAL IMPACT

Is legal review necessary for this staff recommendation and related documents?
N/A

Reviewed/approved by: N/A

Additional comments: N/A

ADVERTISING REQUIREMENTS

Is advertising required for this recommendation? N/A

If the proof of publication affidavit is not attached, list the reason: N/A

FOLLOW UP IMPLEMENTATION

For time-sensitive follow up, select deadline date for follow up: N/A

Individual(s) responsible for follow up: N/A

Action required (list contact persons/addresses if documents are to be mailed or emailed): N/A

Additional instructions/notes: N/A



Korey J. Cox
 VP, Properties & Corporate Real Estate
 250 Riverchase Parkway, Suite 600
 Birmingham, AL 35244
 (205) 560-6893
 korey.cox@regions.com

September 16, 2019

Baldwin County Commission
 312 Courthouse Square, Suite 11
 Bay Minette, AL 36507

Subject: Extension of Notice Date for Renewal of Lease / 22070 Highway 59, Robertsedale, AL/
 RFC000283

Dear Landlord:

This letter is to confirm our agreement and amendment of a certain Lease Agreement dated June 15, 2005, as amended, ("Lease), whereby Regions Bank ("Regions"), as Tenant and Baldwin County, Alabama, by and through the Baldwin County Commission, as assignee of Downtown Properties Group, LLC, and Landlord, agree that the time for providing notice to exercise the option referred to in paragraph 2.2.1 of the lease is changed from September 30, 2019 to December 30, 2019. Regions understands from you that no third-party consent, such consent from a lender, or other party is required for this agreement and amendment to be effective. All other terms of the Lease remain unchanged.

It is further understood that said right to renew shall be applied only to the terms specified in the Lease, as amended, and not to any terms that have been proposed and/or accepted in the current discussions regarding the lease renewal.

Please sign on the space provided below and return the signed letter to my attention. Thank you for working with us to obtain this extension.

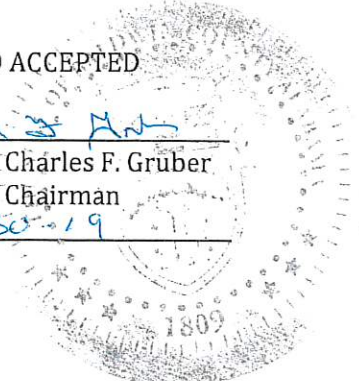
Sincerely,

REGIONS BANK

Name: _____
 Printed: Korey J. Cox
 Title: Vice President

APROVED AND ACCEPTED

Name: Charles F. Gruber
 Printed: Charles F. Gruber
 Title: Chairman
 Date: 9-30-19

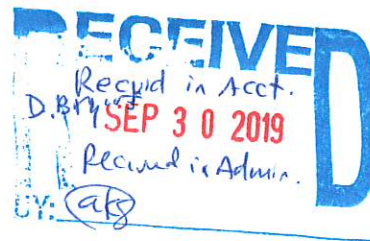


ATTEST:

Name: Wayne Dyess
 Printed: Wayne Dyess
 Title: County Administrator
 Date: 9/30/2019

Maxwell D. Taylor, CPA
Vice President
Corporate Real Estate – Portfolio Administration

413cc
WJ
RC
D. Conner



VIA FEDERAL EXPRESS TRACKING NO: 7763 4397 7640

September 26, 2019

Baldwin County Commission
312 Courthouse Square, Suite 11
Bay Minette, AL 36507

Re: **Lease Agreement dated June 15, 2005 by and between First States Investors 4200, LLC, and Regions Bank, last amended via an Amendment to Lease Agreement for the property commonly known as Robertsdale Main Branch at 22070 Highway 59, Robertsdale, Alabama. RFC000283**

Dear Landlord:

According to our records, the above referenced Lease Agreement expires June 30, 2020. Regions has the option of renewing the term for one (1) 10-year renewal option per the Lease Agreement. Please accept this letter as written notice that Regions elects to exercise this renewal option. The lease term is hereby extended thru June 30, 2030.

Per Section 2 of the Lease Agreement, the rental shall be an amount equal to ninety-five percent (95%) of the Fair Market Rental Value. Please provide us with Landlord's estimate of the FMV rental rate at your earliest convenience. All other terms and conditions of the Lease shall remain the same. Should you have any questions, please do not hesitate to

Sincerely,

A handwritten signature in blue ink that appears to read "Max Taylor".

Maxwell Taylor
Vice President

cc: Elisha Buckley, Regions

250 Riverchase Parkway East, Suite 600
Birmingham, Alabama 35244
Office (205) 560-7268
Maxwell.Taylor@regions.com