

GILMORE & BELL, P.C.
DRAFT #1
DECEMBER 7, 2009

**AMENDED AND RESTATED SITE LEASE
PROVIDING FOR THE LEASE OF
575 AND 555 SOUTH 10TH STREET
AND
425 SOUTH 9TH STREET
FROM
CITY OF LINCOLN, NEBRASKA
AND
THE COUNTY OF LANCASTER, NEBRASKA
TO
LINCOLN-LANCASTER COUNTY PUBLIC BUILDING COMMISSION**

This **AMENDED AND RESTATED SITE LEASE** (the “**Site Lease**”), dated [Closing date], 2010, is by and among **THE CITY OF LINCOLN, NEBRASKA** (the “**City**”), and **THE COUNTY OF LANCASTER, NEBRASKA** (the “**County**”), jointly as lessor, and the **LINCOLN-LANCASTER COUNTY PUBLIC BUILDING COMMISSION** (the “**Commission**”), as lessee.

RECITALS

1. The Commission is a body politic and corporate and an instrumentality of the State of Nebraska (the “**State**”) exercising essential governmental functions and existing pursuant to Chapter 13, Article 13, Reissue Revised Statutes of Nebraska, as amended (the “**Act**”), which has been duly activated by the City and the County pursuant to the Act for the purpose of facilitating the ownership and use of any project (as defined in the Act) for the benefit and use of the City and the County.

2. The Act authorizes the Commission to acquire by purchase, in the name of the City and the County, real property or rights and easements thereon necessary or convenient for its corporate purposes, subject to approval by both the City and County pursuant to the Interlocal Agreement dated July 10, 1996 among the City, the County and the Commission.

3. The City, the County and the Commission have previously entered into the following agreements:

(a) Lease Agreement dated October 15, 1994 between the City and the Commission with respect to the following property (collectively, the “**K Street Property**”):

(1) south 11 feet of Lot 7, all of Lots 8 through 13, all of Lots 16 through 18, all in Block 102, Original Plat of the City of Lincoln, Lancaster County, Nebraska;

(2) Lots 1 through 7, Lincoln Land Co. Subdivision of Block 102, Original Plat, of the City of Lincoln, Lancaster County, Nebraska;

together with a First Amendment thereto, dated as of August 15, 1998 between the City and the Commission (collectively, the “**K Street Building Site Lease**”).

(b) Site Lease dated as of April 1, 1996, among the City, the County and the Commission, with respect to the following property (collectively, the **“City-County Building Property”**):

(1) all of vacated J Street from the east line of 9th street to the west line of 10th Street, all of Block 118 and all of the north 72 feet of Block 129, Original Plat, Lincoln, Lancaster County, Nebraska;

(2) Lots 4 through 12 and Lots 16 through 18, Block 117, Original Plat, Lincoln, Lancaster County, Nebraska;

(3) Block 146, Original Plat, Lincoln, Lancaster County, Nebraska, and the south nine feet of H Street abutting thereon (as vacated by Ordinance No. 16309);

together with a First Amendment to Site Lease dated May 4, 2005, among the City the County and the Commission (collectively, the **“City-County Building Site Lease”**).

4. The City and the Commission have executed and delivered the K Street Building Site Lease in connection with the issuance by the Commission of its (a) General Obligation Bonds, Series 1994, dated as of October 15, 1994 (the **“1994 Bonds”**) and (b) Tax Supported Lease Rental Revenue Building and Refunding Bonds, Series 1998, dated as of August 15, 1998 (the **“1998 Bonds”**).

5. The City, the County and the Commission have executed and delivered the City-County Street Building Site Lease in connection with the issuance by the Commission of its (a) Tax Supported Lease Rental Revenue Building Bonds, Series 1996, dated as of _____, 1996 (the **“1996 Bonds”**) and (b) Tax Supported Lease Rental Revenue Refunding Bonds, Series 2005, dated May 4, 2005 (the **“2005 Bonds”**).

6. The City, the County and the Commission have determined to (a) provide for the payment and redemption of the 1998 Bonds, (b) pay the costs of acquiring, constructing, equipping and furnishing certain improvements to **[TO BE PROVIDED]** (the **“Project”**), and for such purpose, the Commission will issue \$[Principal Amount] of its Tax Supported Lease Rental Revenue Building and Refunding Bonds, Series 2010, dated the date of delivery (_____, 2010) thereof (the **“2010 Bonds”**).

7. In connection with the refunding of the 1998 Bonds, the construction of the Project and the issuance of the 2010, the City, the County and the Commission that it is necessary, desirable, advisable and in the best interests of the City, the County and the Commission to amend and restate the K Street Building Site Lease and the City-County Building Site Lease.

NOW THEREFORE, in consideration of the mutual covenants contained herein, the parties hereto do agree as follows:

Section 1. Demise. The City and the County do hereby lease to the Commission the K Street Property and the City-County Property, together with any and all structures located thereon.

Section 2. Term. The term of this Site Lease shall commence upon the execution and delivery hereof by the City, the County and the Commission and expire on [October 15], 20__, unless extended by the written agreement of the City, the County and the Commission; provided, however, that this Site Lease may be terminated on such date as may be mutually agreeable to the City, the County and the Commission but not earlier than the date (a) all of the 2010 Bonds, together with all bonds of the Commission issued in whole or in part to refund the 2010 Bonds directly or indirectly have been paid in full or the payment of the

Bonds provided for in accordance with **Section 26** of the Resolution No. ____ of the Commission authorizing their issuance and (B) the Lease Agreement, dated the date of its execution and delivery, by and among the Commission, as lessor, and the City and the County, jointly, as lessees, or any extension thereof has been terminated as is of no further force and effect.

Section 3. Use of Premises. The Commission shall use the premises demised hereunder only for the purpose of providing space to City and County departments, agencies, and functions; provided, however, that the Commission may, with the approval of the City and the County, lease to the United States of America, the State of Nebraska or any body, board, agency, corporation or other governmental entity of either of them, or other governmental units for use by them, all or any part of the Facilities to the extent that such use is not required by the City or the County. Except as may be otherwise provided by agreement with the City and the County, the Commission shall be responsible for maintaining, improving, remodeling, operating, and reconstructing the demised premises, as may be from time to time deemed necessary or desirable.

Except as may be otherwise provided by agreement with the City and the County, the Commission shall furnish services, including, but not limited to: heat, water, electricity, air conditioning, elevator services, cleaning services, and all other upkeep, maintenance, and repair and shall provide such services in a good and workmanlike manner; provided, however, that the Commission shall not be liable to the City or the County for damages for failure to furnish or delay in furnishing any service mentioned above, or any part thereof, when such failure to furnish, or delay in furnishing, is occasioned by a need for repairs, renewals, or improvements, or in whole or in part by any strike or labor controversy, or by any accident or casualty whatsoever or by any unauthorized act or default of any employee of the Commission, or for any other cause or causes beyond the reasonable control of the Commission.

Section 4. Construction of the Project. The City, the County and the Commission agree that the City and the County are leasing the K Street Property and the City-County Building Property to the Commission to facilitate the acquisition, construction, equipping and furnishing the Project for use by the City and the County. Commission agrees to complete the acquisition, construction, equipping and furnishing the Project for use by the City and the County.

Section 5. Building Policies. The Commission shall be responsible for the promulgation of appropriate policies regarding smoking, signage, and use of common areas within and upon the demised premises, and for the promulgation of appropriate parking regulations within parking areas open to the public.

Section 6. Books and Records of Commission. All books and records of the Commission with reference to the cost of operating, maintaining, and repairing the demised premises shall at all reasonable times be open for inspection and audit by properly designated officers of the City or County.

Section 7. Insurance. The Commission shall keep the Facilities insured against damage or loss by fire or other casualty. It is agreed that in the event of loss of, or damage to, the demised premises, the Commission may, at its option, rebuild or repair the demised premises, or in the event the Commission elects not to rebuild or repair the demised premises, this Lease shall, upon written notice of such determination by the Commission to the County and the City, thereupon terminate and the proceeds of all insurance shall be used and applied to the payment and redemption of the Bonds.

The Commission shall carry premises liability insurance covering the demised premises.

Section 8. Utilities; Taxes; Special Assessments. The Commission shall pay all charges for electricity, water, gas, and other utility services (except telephone, cable television, and any computer cable

services) used on the demised premises. The Commission further agrees to pay all taxes and assessments, if any, upon the demised premises which are payable during the term hereof.

Section 9. Assignment and Subletting. The Commission may assign or transfer this Lease, or underlease or sublet the whole or any part of the demised premises only with the written consent of the City and the County.

Section 10. Quiet Possession. The City and the County each covenant that they are jointly seized of the leased premises and have full right to make this Site Lease, and that the Commission shall have quiet and peaceful possession of the demised premises during all of the term hereof as against lawful acts of third parties and as against the acts of all parties claiming title to, or a right to the possession of the demised premises.

Section 11. Unlawful Use. The Commission shall not make or suffer any use or occupancy of the demised premises contrary to any law or ordinance now in effect or hereinafter enacted.

Section 12. Personal Property of City and County. Personal property in the demised premises shall be kept there at the risk of the tenants of the Facilities only, as their interests may appear. The Commission shall not be liable for any damage to any property at any time in said demised premises caused by steam, electricity, sewage, gas, or odors, or from water, rain, or snow which may leak into, issue, or flow from any part of the building of which the demised premises are a part, or from pipes, or plumbing works of the same, or from any other place or quarter, or for any damage done to property of any tenant in moving the same to or from the building or demised premises. Each tenant shall give to the Commission, or its agent, prompt written notice of any accident to or defects in water pipes, gas, or heating or cooling apparatus in areas occupied by such tenant, of which such tenant has knowledge, which defects shall be remedied with due diligence by the Commission.

Section 13. Successors and Assigns. This Site Lease shall inure to the benefit of and be binding upon the respective parties hereto, their successors and assigns.

Section 14. Effect of Amended and Restated Site Lease. The provisions of this Site Lease are intended to replace and supersede all of the provisions of the K Street Building Site Lease and the City-County Building Site Lease.

Section 15. Counterparts of Lease. This Site Lease has been executed in several counterparts, each of which may be considered as an original.

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IN WITNESS WHEREOF, the City, the County and the Commission have caused this Site Lease to be executed by their duly authorized officers.

DATED: _____, 2010.

ATTEST:

THE CITY OF LINCOLN, NEBRASKA

By: _____
City Clerk

By: _____
Mayor

ATTEST:

THE COUNTY OF LANCASTER, NEBRASKA

By: _____
County Clerk

By: _____
Chair

**LINCOLN-LANCASTER COUNTY PUBLIC
BUILDING COMMISSION**

By: _____
Chair

GILMORE & BELL, P.C.
DRAFT #1
DECEMBER 7, 2009

AMENDED AND RESTATED LEASE AGREEMENT
PROVIDING FOR THE LEASE OF
575 AND 555 SOUTH 10TH STREET
AND
425 SOUTH 9TH STREET
FROM
LINCOLN-LANCASTER COUNTY PUBLIC BUILDING COMMISSION
TO
CITY OF LINCOLN, NEBRASKA
AND
THE COUNTY OF LANCASTER, NEBRASKA

This AMENDED AND RESTATED LEASE AGREEMENT (the “Agreement”), dated [Closing Date], 2010, is by and among the LINCOLN-LANCASTER COUNTY PUBLIC BUILDING COMMISSION (the “Commission”), as lessor, and THE CITY OF LINCOLN, NEBRASKA (the “City”) and THE COUNTY OF LANCASTER, NEBRASKA (the “County”), jointly, as lessees.

RECITALS

1. The Commission is a body politic and corporate and an instrumentality of the State of Nebraska (the “State”) exercising essential governmental functions and existing pursuant to Chapter 13, Article 13, Reissue Revised Statutes of Nebraska, as amended (the “Act”), and has been duly activated by the City and the County pursuant to the Act for the purpose of facilitating the ownership and use of facilities (as defined in the Act) for the benefit and use of the City and the County.

2. The City, the County and the Commission have previously entered into the following agreements pursuant to which the Commission has leased to the City and the County the property identified therein:

(a) Lease Agreement dated October 15, 1994 with respect to the following property and the facilities and improvements located thereon (collectively, the “K Street Building”):

(1) south 11 feet of Lot 7, all of Lots 8 through 13, all of Lots 16 through 18, all in Block 102, Original Plat of the City of Lincoln, Lancaster County, Nebraska;

(2) Lots 1 through 7, Lincoln Land Co. Subdivision of Block 102, Original Plat, of the City of Lincoln, Lancaster County, Nebraska;

together with a First Amendment thereto, dated as of August 15, 1998 among the Commission, the City and the County (collectively, the “K Street Building Lease”).

(b) Lease Agreement dated as of April 1, 1996, among the City, the County and the Commission, with respect to the following property and the facilities and improvements located thereon (collectively, the “City-County Building”):

(1) all of vacated J Street from the east line of 9th street to the west line of 10th Street, all of Block 118 and all of the north 72 feet of Block 129, Original Plat, Lincoln, Lancaster County, Nebraska;

(2) Lots 4 through 12 and Lots 16 through 18, Block 117, Original Plat, Lincoln, Lancaster County, Nebraska;

(3) Block 146, Original Plat, Lincoln, Lancaster County, Nebraska, and the south nine feet of H Street abutting thereon (as vacated by Ordinance No. 16309);

together with a First Amendment to Lease Agreement dated May 4, 2005, among the City the County and the Commission (collectively, the **“City-County Building Lease”**).

3. The Commission, the City and the County have executed and delivered the K Street Building Lease in connection with the issuance by the Commission of its (a) General Obligation Bonds, Series 1994, dated as of October 15, 1994 (the **“1994 Bonds”**) and (b) Tax Supported Lease Rental Revenue Building and Refunding Bonds, Series 1998, dated as of August 15, 1998 (the **“1998 Bonds”**).

4. The City, the County and the Commission have executed and delivered the City-County Street Building Lease in connection with the issuance by the Commission of its (a) Tax Supported Lease Rental Revenue Building Bonds, Series 1996, dated as of _____, 1996 (the **“1996 Bonds”**) and (b) Tax Supported Lease Rental Revenue Refunding Bonds, Series 2005, dated May 4, 2005 (the **“2005 Bonds”**) issued pursuant to Resolution No. 108 adopted March 22, 2005 (the **“2005 Resolution”**).

5. The City, the County and the Commission have determined to (a) provide for the payment and redemption of the 1998 Bonds, (b) pay the costs of acquiring, constructing, equipping and furnishing certain improvements to **[TO BE PROVIDED]** (the **“Project”**) for the use of the City and the County.

6. Pursuant to a resolution duly adopted by the Commission on December 8, 2009 (the **“Bond Resolution”**), the Commission has authorized the issuance of \$[Principal Amount] principal amount of its Tax Supported Lease Rental Revenue Building and Refunding Bonds, Series 2010, dated the date of delivery thereof (the **“2010 Bonds”**) to (a) provide for the payment and redemption of the 1998 Bonds, (b) pay the costs of the Project, (c) fund a debt service reserve fund with respect to the 2010 Bonds, and (c) pay the costs of issuing the 2010 Bonds.

7. The City and the County have approved the issuance of the 2010 Bonds by the Commission pursuant to Ordinance No. _____ the City adopted January 11, 2010 (the **“City Ordinance”**) and Resolution No. 10-_____ the County adopted January 5, 2010 (the **“County Resolution”**), respectively.

8. The Bond Resolution, the City Ordinance and the County Resolution each contemplate, approve and authorize the execution of this Agreement for the purpose of governing the acquisition, construction, equipping and furnishing of the Project, the occupancy and use of the K Street Building and the City County Building (collectively, the **“Facilities”**) and certain matters related to the 2005 Bonds and the 2010 Bonds.

NOW THEREFORE, in consideration of the foregoing, the Act, the terms and conditions of this Agreement, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Commission, the City and the County hereby agree as follows:

Section 1. Ratification of Acts of Commission. All agreements and actions of the Commission with respect to the Facilities, the Project, the 2005 Bonds and the 2010 Bonds prior to the date of this

Agreement are hereby approved, confirmed and ratified by the City and the County. Specifically, but without limitation, the City and the County hereby approve and ratify the acquisition, construction, equipping and furnishing of the Project, the expenditure of funds therefor, and the entering into of contracts and agreements in connection therewith.

Section 2. Use of the Facilities and the Project. The City and the County shall jointly use the Facilities and the Project and the City and the County shall each be allotted one-half (1/2) of the space in the Facilities and the Project; provided, however, that the City and the County may agree, in writing, to revise the percentage of allocation of space between themselves at any time. The Commission may at any time permit use by either party of allotted but unoccupied space of the other on a temporary basis until such time as the space is required by the party to whom it is allotted. The specific amount of space in the Facilities and the Project to be occupied by the City and the County, up to their maximum allotment, shall be based upon their respective requests to the Commission for space. Except as specifically provided by an amendment or amendments to this Agreement and except for any space which is leased to another party, the Facilities and the Project shall be occupied by and used exclusively to provide office and working facilities for the City and the County; provided, however, that the City and the County may lease to the United States of America (the “**United States**”), the State of Nebraska or any body, board, agency, corporation or other governmental entity of either of them, or other governmental units for use by them, the Facilities or the Project to the extent that such use is not required by the City or the County. The Commission, the City and the County jointly and severally certify and covenant to each other and to and for the benefit of the purchasers and owners of the 2005 Bonds and the 2010 Bonds that so long as any of the 2005 Bonds or the 2010 Bonds remain outstanding under the 2005 Resolution or Bond Resolution, respectively, neither the Facilities nor the Project will be used or otherwise occupied in any manner which would cause the interest on the 2005 Bonds or the 2010 Bonds to be includable in gross income for federal income tax purposes. The Commission, the City and the County shall, prior to entering into any lease or other agreement for the use of any portion of the Facilities or the Project with the United States, or any body, board, agency, corporation or other governmental entity of the United States, obtain a written opinion of bond counsel to the Commission that such leasing or other use will not cause the interest on either the 2005 Bonds or the 2010 Bonds to be includable in gross income for federal income tax purposes.

The City and the County each hereby appoint the Commission as their agent for the purposes of leasing any space in the Facilities and the Project allotted to either of them and not required by the City or the County, as the case may be. The Commission is authorized to enter into leases for any such space upon such terms and conditions as the Commission shall, in its sole discretion, determine. The Commission shall give notice to the City and the County of any such lease not less than ten (10) days prior to the effective date of such lease.

Section 3. Payment of Operating Expenses. The City and the County shall each pay to the Commission their Pro Rata Share (hereinafter defined) of the Operating Expenses (hereinafter defined) for the entire term of this Agreement as provided in this Section. On the date of execution and delivery of this Agreement, the Commission shall deliver to the City and the County an estimate of the Operating Expenses for calendar year 2010. By the end of each calendar year thereafter during the term of this Agreement, the Commission shall deliver to the City and the County an estimate of the Operating Expenses for the following calendar year. The City and the County shall each pay to the Commission on _____ 15, 2006 and on the 15th day of each month during the term of this Agreement an amount equal to the Pro Rata Share of the average monthly Operating Expenses for such year as estimated by the Commission. Following the end of each calendar year during the term of this Agreement, the Commission shall deliver to the City and the County a statement of the Operating Expenses for such calendar year. If the Operating Expenses for such year exceeds the amount paid by the City and the County to the Commission with respect to Operating Expenses for such year, the City and the County shall each pay their Pro Rata Share of such excess to the Commission within 15 days of delivery to the City and the County of the statement of the

Operating Expenses for such year. If the amounts paid by the City and the County to the Commission with respect to Operating Expenses for such year exceed the Operating Expenses for such year, such excess shall be credited against the amounts due from the City and the County, respectively, thereafter pursuant to this Section, or, if this Agreement has terminated, such excess shall be credited against any amounts which the City or the County, respectively, owes the Commission pursuant to this Agreement and, to the extent all amounts which the City or the County owes the Commission pursuant to this Agreement have been paid, the Commission shall promptly pay such excess to the City or the County as their interests may appear. Any delay by the Commission in delivering any estimate or statement pursuant to this Section shall not relieve the City and the County of their obligations pursuant to this Section, except that the City and the County shall not be obligated to make any payments based on such estimate or statement until 15 days after receipt of such estimate or statement.

“Operating Expenses” shall be determined on an accrual basis for each calendar year by taking into account on a consistent basis all costs of operation, management, maintenance, and repairs of the Facilities and the Project, whether undertaken by the Commission pursuant to the specific provisions of this Agreement or undertaken by the Commission in the exercise of its reasonable discretion, including, but not limited to, the costs of air conditioning, heating, and ventilation, cleaning and custodial services, water and sanitary sewerage service, normal trash removal services, snow removal services, plumbing, casualty and liability insurance, Property Taxes, accounting and a reasonable management fee. Operating Expenses shall not include the costs of tenant improvements, leasing commissions, depreciation, interest, ground rent, and administrative costs not specifically incurred in the operation, management, maintenance, and repair of the Facilities. Operating Expenses shall not include any expense to the extent paid or reimbursed from insurance proceeds, but Operating Expenses shall include any deductible amount excluded from insurance coverage.

“Property Taxes,” as used in this Section, shall mean all real and personal property taxes and assessments, license tax, rental tax, improvement bonds, and other governmental levies imposed on or with respect to the Facilities and any property of the Commission or the Commission’s agents used principally in the operation, management, maintenance, or repair of the Facilities, together with any taxes or assessments imposed in substitution of or as a supplement to any taxes or assessments previously included within the definition of property taxes and assessments, but excluding any federal, state or local income, franchise, estate, or inheritance tax, and excluding any tax of a type allocated to the City and the County pursuant to **Section 4** hereof.

Because the Facilities and the Project are owned by the Commission, in the name of the City and the County, each a political subdivision of the State of Nebraska, and the Facilities and the Project will be occupied and used by the City and the County pursuant to the Agreement exclusively for governmental purposes and not for financial gain or profit, under present law, the Facilities and the Project would not be subject to real estate taxes. It is understood and agreed, however, that the City and the County each agree to pay their Pro Rata Share of any taxes and assessments, general and special, and all other impositions, ordinary and extraordinary, of every kind and nature which might be levied or assessed on the Facilities or the Project to the extent not paid from revenues of the Facilities and the pursuant to the 2005 Resolution, the Bond Resolution or this Agreement.

Section 4. Operating Expenses Payable by the City and the County. The City and the County shall pay the cost of any telephone system or services, personal property taxes, or any other utility or services not listed in **Section 3** hereof. The City and the County shall pay a reasonable charge determined by the Commission for any utilities, custodial services, maintenance, and other services required to be provided by the Commission by reason of any use by the City and the County of any utilities or services in excess of utilities or services customarily provided for general use in the Facilities or the Project by reason of any recurrent use of the Facilities and the Facilities at any time other than the normal business hours of

generally recognized business days and shall also pay any costs reasonably incurred by the Commission to meter or otherwise measure the amount of such utilities or services used by the City and the County.

Section 5. Definition of Pro Rata Share. For purposes of this Agreement, the Pro Rata Share of any Operating Expenses, Property Taxes or debt service on the 2005 Bonds or the 2010 Bonds payable by the City or the County shall be determined by dividing the amount of square footage occupied by each entity by the sum of the square footage occupied by both entities and applying the resulting percentages to the total of such expenses or taxes. The Commission shall credit towards the Pro Rata Share of Operating Expenses, Property Taxes and debt service on the 2005 Bonds and the 2010 Bonds due from the City and the County any amount received from any other occupant of the Facilities or the Project for such Operating Expenses, Property Taxes or debt service payments on the 2005 Bonds and the 2010 Bonds.

Section 6. Services and Utilities.

(a) ***Services by the Commission.*** The Commission shall furnish to such portions of the Facilities and the Project as are appropriate during normal business hours of generally recognized business days such amounts of air conditioning, heating, and ventilation as may be reasonably necessary for the comfortable use and occupation of such portions of the Facilities and the Project. The Commission shall at all times furnish appropriate portions of the Facilities and the Project with elevator service and reasonable amounts of electricity for normal heating, air conditioning, lighting and office machines and shall furnish hot and cold water for lavatory and drinking purposes. The Commission shall provide sewer service, normal trash removal services, and snow removal services. The Commission shall provide custodial service equivalent to that furnished in comparable buildings, including empty waste paper baskets, dry mop and wet mop, vacuum, clean restrooms, supply toiletries, clean window sills, and clean carpet as reasonably needed. The Commission shall replace, at the expense of the City and the County, fluorescent tubes, ballasts, and light bulbs as required.

(b) ***Maintenance and Repair by the Commission.*** The Commission shall maintain the Facilities and the Project in a good condition, shall maintain the plumbing, heating, ventilating, air conditioning, elevator, electrical, and other mechanical systems of the Facilities and the Project in good working order, shall make necessary repairs to the roof and the shell of the Facilities and the Project and shall repair promptly any damage to the Facilities and the Project as provided herein.

(c) ***Interruption of Service.*** The Commission shall not be liable and no payment to the Commission shall be abated for interruptions to the telephone, plumbing, heating, ventilating, air conditioning, elevator, electrical or other mechanical or utility systems or cleaning services, by reason of accident, emergency, repairs, alterations, improvements, or shortages or lack of availability of materials or services. At any time during the term of this Agreement, any utilities or services may be conserved by the Commission without abatement of rent or other expenses if undertaken by the Commission as required by any governmental agency or in a reasonable effort to reduce energy or other resource consumption.

Section 7. Authority of Commission. The Commission is hereby authorized and directed to enter into agreements from time to time, without further approval or authorization by the City or the County, for the acquisition, construction, improvements, equipping, furnishing, maintenance, repair, replacement, operation and management of the Facilities and the Project, and the expenditure of funds in connection therewith. Without limiting the generality of the foregoing, the City and County hereby authorize the Commission to use the services of agents, employees and facilities of the City in connection with its obligations pursuant to this Agreement.

Section 8. Contributions for Payment of 2005 Bonds and 2010 Bonds. The City and the County each agree to pay to the Commission from legally available funds an amount equal to its Pro Rata Share of

the debt service on the 2005 Bonds and the 2010 Bonds. To the extent such payments are not made from other sources, the City, subject to the specific limitations set forth in Section 13-1311(5) of the Act, and the County hereby each covenant, warrant and agree to levy and collect taxes on all the taxable property in their respective jurisdiction, and to appropriate such funds or other funds of the City or County, sufficient in rate and amount, in the aggregate, to pay the principal or redemption price of and interest on the 2005 Bonds and the 2010 Bonds when due. The Commission, the City and the County may, by a supplemental agreement or agreements from time to time, provide for a different formula for contribution of amounts for payment of the principal or redemption price and interest on the 2005 Bonds and the 2010 Bonds, which shall include the appropriation of funds and levy of taxes by the City and the County sufficient to pay all the principal or redemption price of and interest on the 2005 Bonds and the 2010 Bonds without contribution by the Commission.

The Commission, pursuant to the 2005 Resolution, Bond Resolution and the Act, shall levy a tax on all the taxable property in the County sufficient in rate and amount to pay the principal or redemption price of and interest on the 2005 Bonds and the 2010 Bonds as the same shall become due to the extent the payments made by the City and the County hereunder are insufficient for such purposes. The City hereby pledges its authority to levy taxes and appropriate funds pursuant to Section 13-1306 of the Act and this Section and the County hereby pledges its obligation to levy taxes and appropriate funds as provided in this Section for the security and benefit of the registered owners of the 2005 Bonds and the 2010 Bonds. The Commission, the City and the County agree that all payments received by the Commission pursuant to the provisions of this Agreement shall be applied first to payment of the principal or redemption price of and interest on the 2005 Bonds and the 2010 Bonds, and the remainder to the payment of Operating Expenses and other amounts payable to the Commission pursuant to this Agreement.

The obligations of the Commission, the City and the County pursuant to this Section shall be performed without setoff, counterclaim, or defense for any reason and without abatement or deduction or defense and notwithstanding any breach or failure of performance by any other party to this Agreement. Neither party will suspend or discontinue any such obligations or payments and will perform and observe all of their other agreements in this Agreement and will not terminate this Agreement for any cause, including but not limited to any acts or circumstances that may constitute failure of consideration, destruction or damage to the Facilities or the Project, the taking of the Facilities or the Project by condemnation or otherwise, the lawful prohibition of the use of the Facilities or the Project, the interference with such use by any private person, the invalidity or unenforceability or lack of due authorization or other infirmity of this Agreement, eviction by paramount title, commercial frustration of purpose, bankruptcy or insolvency of any party, change in the tax or other laws of administrative rulings or actions of the United States or the State of Nebraska or any political subdivision thereof, or failure of any part to perform and observe any agreement, whether express or implied of any duty, liability or obligation arising out of or connected with this Agreement, or for any other cause whether similar or dissimilar to the foregoing, any present or future law to the contrary notwithstanding, it being the intention of the parties hereto that the obligations and amount payable by the Commission, the City and the County hereunder shall be performed and paid in full when due without any delay or diminution whatsoever.

Section 9. Observation of Budget and Spending Limitations. The Commission, the City and the County each represent, warrant and agree to observe all budget and spending limitations now or hereafter imposed by law in such a manner that a sufficient portion of their tax levies or other money shall be lawfully available to pay and satisfy all of their obligations under this Agreement, and further covenant and agree that such obligations, including the obligations related to levy and appropriations for payment of the principal or redemption price of and interest on the 2005 Bonds and the 2010 Bonds are not such as may reasonably be expected to require levies or appropriations in excess of any applicable levy limit. Specifically, but without limitation, the Commission covenants and agrees that its obligations under this Agreement will not exceed the limitation imposed pursuant to Section 13-1304 of the Act, the City covenants and agrees that its

obligations under this Agreement will not exceed the limitations imposed pursuant to Section 13-1306 of the Act, and the County covenants and agrees that its obligations will not exceed the limitations imposed pursuant to Article VIII, Section 5 of the Nebraska Constitution.

Section 10. Benefit of Agreement. This Agreement is entered into for and shall accrue to the benefit of and be enforceable by the Commission, the City, the County and the registered holders from time to time of the 2005 Bonds and the 2010 Bonds.

Section 11. Amendments. The parties hereto may from time to time, without the approval of the registered owners of the 2005 Bonds and the 2010 Bonds, consent to any amendment, change or modification of this Agreement for the purpose of curing any ambiguity, formal defect, or omission or making any other change therein which, in the judgment of the Commission, is not to the material prejudice of the Commission or the owners of 2005 Bonds and the 2010 Bonds.

Except for amendments, changes or modifications as provided in the preceding paragraph, no amendment, change or modification of this Agreement shall be made without the consent of a majority of the registered owners of all of the 2005 Bonds and the 2010 Bonds outstanding; provided, however, that no such amendment shall be permitted which would have the effect of causing the Commission to be in default in making the payments on the 2005 Bonds and 2010 Bonds outstanding under the 2005 Resolution and the Bond Resolution, respectively.

Section 12. Term of Agreement; Miscellaneous. This Agreement shall be in full force and effect from and after the date hereof, and shall remain in full force and effect so long as any of the 2005 Bonds are outstanding under the 2005 Resolution or the 2010 Bonds are outstanding under the Bond Resolution. At such time as none of the 2005 Bonds or the 2010 Bonds are no longer outstanding under the 2005 Resolution or the Bond Resolution, respectively, this Agreement may be extended for such period as may be agreed in writing by the parties hereto or this Agreement may be terminated by the mutual agreement of the parties hereto. This Agreement constitutes the entire agreement of the Commission, the City and the County with respect to the subject matter hereof. This Agreement is governed by the laws of the State of Nebraska, including specifically but without limitation, the Act.

Section 13. Effect of Amended and Restated Lease Agreement. The provisions of this Lease Agreement are intended to replace and supersede all of the provisions of the K Street Building Lease and the City-County Building Lease.

[The remainder of this page intentionally left blank.]

IN WITNESS WHEREOF, the Commission, the City and the County have duly executed this Agreement by their appropriate officers as of the year and date first written above.

DATED: _____, 2010.

**LINCOLN-LANCASTER COUNTY PUBLIC
BUILDING COMMISSION**

By: _____
Chair

ATTEST:

THE CITY OF LINCOLN, NEBRASKA

By: _____
City Clerk

By: _____
Mayor

ATTEST:

THE COUNTY OF LANCASTER, NEBRASKA

By: _____
County Clerk

By: _____
Chair

ACKNOWLEDGEMENTS

STATE OF NEBRASKA)
)ss.
COUNTY OF LANCASTER)

The foregoing instrument was acknowledged before me this ____ day of _____, 2010, by _____, Chair of the Board of Commissioners of the Lincoln-Lancaster Public Building Commission, on behalf of said Commission.

Notary Public

STATE OF NEBRASKA)
)ss.
COUNTY OF LANCASTER)

The foregoing instrument was acknowledged before me this ____ day of _____, 2010, by Christopher J. Beutler, Mayor of The City of Lincoln, Nebraska, on behalf of the City.

Notary Public

STATE OF NEBRASKA)
)ss.
COUNTY OF LANCASTER)

The foregoing instrument was acknowledged before me this ____ day of _____, 2010, by _____, Chair of the Board of Commissioners of The County of Lancaster, Nebraska, on behalf of said County.

Notary Public