
FIRST SUPPLEMENTAL LEASE

by and between

THE RIVERSOUTH AUTHORITY

and

CITY OF COLUMBUS, OHIO

Dated as of

June 1, 2004

Relating to:

**Not to exceed \$38,925,000
RiverSouth Area Redevelopment Bonds
2004 Series A**

FIRST SUPPLEMENTAL LEASE

THIS FIRST SUPPLEMENTAL LEASE is made and entered into as of June 1, 2004, by and between THE RIVERSOUTH AUTHORITY, a body corporate and politic duly created and existing under and by virtue of Chapter 349 of the Ohio Revised Code (the "Authority"), and the CITY OF COLUMBUS, an existing municipal corporation duly incorporated pursuant to the Constitution and laws of the State of Ohio and its Charter (the "City").

WITNESSETH:

WHEREAS, the Authority and the City have entered into a Master Lease Agreement dated as of June 1, 2004 (the "Master Lease"), under which Supplemental Leases are provided for and contemplated for the purposes set forth herein; and

WHEREAS, pursuant thereto and in accordance with the Master Lease, the Authority and the City have determined to enter into this First Supplemental Lease (the "First Supplemental Lease" and together with the Master Lease and any amendments and supplements thereto or hereto, the "Lease").

NOW, THEREFORE, in consideration of the promises and mutual covenants herein set forth and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

Section 1. Definitions. All words and terms which are defined in Section 1.01 of the Master Lease or the Trust Agreement, as defined in the Master Lease, shall have the same meanings in this First Supplemental Lease as they are given in the Master Lease or the Trust Agreement unless otherwise herein provided or unless the context or use clearly indicates another or different meaning or intent.

Section 2. The Projects. The Projects which are the subject of this First Supplemental Lease are described in Exhibit A (which is attached hereto and made a part hereof); provided, however, that it is acknowledged and agreed by the parties hereto that the Projects to be financed at least in part from the proceeds of the Series 2004 A Bonds referred to in Section 3 hereof may be changed from time to time to Projects of different scope or kind but only as permitted by Section 6 hereof subject to approval by the City authorized by a duly enacted ordinance or resolution of City Council; and provided further, that the Projects shall nevertheless always be Capital Facilities for which the Authority may issue Bonds. It is acknowledged and agreed by the parties hereto that the Projects to be financed at least in part from the proceeds of the Series 2004 A Bonds listed as Item 4 in Exhibit A may be more definitely agreed upon from time to time by the City and the Authority pursuant to Section 6 hereof; and provided further, that such agreed upon Projects shall nevertheless always be Capital Facilities for which the Authority may issue Bonds. Notwithstanding any other provision of this First Supplemental Lease to the contrary, no funds shall be released for Item 4 on Exhibit A without approval by the City authorized by a duly enacted ordinance or resolution of City Council. Such Projects, as they may from time to time be changed, are included under this First Supplemental Lease without necessity for amendment hereof or of Exhibit A hereto, and no change in or substitution for the

Projects identified in Exhibit A hereto shall result in any diminution of or otherwise offset to the obligation of the City to make rental payments pursuant to the Lease.

Section 3. The Series 2004 A Bonds. For the purpose of paying a portion of the Project costs, the Authority proposes to issue Bonds described as follows:

- Designation: RiverSouth Authority Redevelopment Bonds, 2004 Series A (the "Series 2004 A Bonds")
- Aggregate Principal Amount: Not to exceed \$38,925,000, with not to exceed \$33,000,000 for Project Costs and the balance for capitalized interest and financing costs
- Dated Date: Date of issuance
- Interest Payment Dates: June 1 and December 1 in each year commencing December 1, 2004, but with the City's lease rental payments not commencing until after November 21, 2007 in connection with the December 1, 2007 Interest Payment Date
- Maturities: The Series 2004 A Bonds will mature on December 1 in the years commencing in 2009 as provided in the Series 2004 A Resolution.

The Series 2004 A Bonds shall be issued by the Authority in accordance with the Act.

Section 4. Rental. Subject to the provisions of Section 4.01 of the Master Lease, the rentals payable under this First Supplemental Lease shall be the aggregate of the following amounts, to be credited to the respective Special Funds and Accounts in the amounts and at the times stated below:

<u>Amounts Payable</u>	<u>Date of Payment</u>	<u>Amount to be Credited To</u>
(a) An amount equal to the Bond Service Charges due on the Series 2004 A Bonds at each Interest Payment Date	On or before the tenth day prior to each Interest Payment Date	Bond Service Account
(b) An amount equal to the Bond Service Charges due on the Series 2004 A Bonds at each maturity or mandatory sinking fund redemption date	On or before the tenth day prior to each maturity	Bond Service Account

Amounts Payable

Date of Payment

Amount to be Credited To

Amounts payable under (c) above shall be deemed to be paid pro rata under each and all Supplemental Leases in relation to the principal amount of the Obligations contemplated by each Supplemental Lease so long as any such Obligations are outstanding.

Section 5. Renewal Terms. The City has the right to renew the term of the Lease for successive terms until the Authority shall have paid and retired, or shall have made due and adequate provision for the payment and retirement of, all Obligations issued by the Authority to finance Project costs and shall have paid all Obligations of the Authority.

Section 6. Amendments. Subject to the terms of the Master Lease, this First Supplemental Lease, including Exhibit A attached hereto, may be modified or amended from time to time, by mutual consent of the Authority and the City to better provide for the purposes hereof. This First Supplemental Lease, including Exhibit A, may be amended or superseded by an amendatory or superseding Supplemental Lease or Exhibit A at any time to better identify the Projects or to better identify the Series 2004 A Bonds provided for in Section 3 hereof, or Obligations issued to refund such Series 2004 A Bonds, and shall be so amended or superseded upon the request of either the Authority or the City.

Section 7. Grant of Rights in Project Site to Authority. The City hereby leases, grants, demises and conveys to the Authority any and all rights of the City in and to the real estate under its control upon which the Projects are located as are necessary and appropriate during the term of this First Supplemental Lease for the acquisition, construction, reconstruction, rehabilitation, remodeling, renovation, enlarging, otherwise improving, furnishing, equipping and operation thereon, as the case may be, of the Capital Facilities comprising the Projects.

Section 8. General. This First Supplemental Lease shall be deemed to be a part of the Lease.

Section 9. Representations and Covenants. The City represents that it has taken and caused to be taken, and covenants that it will take and cause to be taken, all actions that may be required of it, alone or in conjunction with the Authority, for the interest on the Series 2004 A Bonds to be and remain excluded from gross income for federal income tax purposes and from treatment as an item of tax preference for purposes of alternative minimum tax imposed on individuals and corporations under the Code. The City represents that it has not taken or permitted to be taken on its behalf, and covenants that it will not take or permit to be taken on its behalf, any actions that would adversely affect those exclusions under the provisions of the Code.

The Authority covenants that it will take, or require to be taken, all actions that may be required of the Authority for the interest on the Series 2004 A Bonds to be and remain excluded from gross income for federal income tax purposes and from treatment as an item of tax preference for purposes of the alternative minimum tax imposed on individuals and corporations

under the Code. It will not take or authorize to be taken any actions that would adversely affect those exclusions under the provisions of the Code.

Section 10. Counterparts. This First Supplemental Lease may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 11. Governing Law. This First Supplemental Lease is and shall be deemed to be a contract made under the laws of the State and for all purposes shall be governed by and construed in accordance with the laws of the State.

Section 12. Insurance. During the lease term the Authority shall keep or cause to be kept the Project described in Item 2 of Exhibit A insured with insurance coverage against loss or damage by fire, lightning, vandalism and malicious mischief and all other perils covered by standard “extended coverage” or “all risks” policies, in commercially reasonable amounts as determined by the Authority. This insurance may be under a blanket form of insurance policy insuring other Project buildings and with any loss deductible used in connection with that blanket policy. Insurance shall be obtained and maintained by means of policies with generally recognized, responsible insurance companies or in conjunction with other companies through an insurance trust, consortium or other arrangements. The insurance companies must be qualified to do business in the State. The policy of insurance shall not be subject to cancellation, substantial modification or nonrenewal unless the Authority is given at least 10 days’ advance written notice thereof. The Authority shall certify to and covenant with the City that the insurance required by this subsection has been obtained and is and will by renewal or replacement remain in full force and effect. In the event of cancellation of any such insurance, the Authority shall certify to the City that such insurance has been replaced and that the replacement insurance is in full force and effect.

[remainder of page intentionally left blank; signature pages to follow]

IN WITNESS WHEREOF, the parties have caused this First Supplemental Lease to be executed by their duly authorized representatives as of the day and year first above set forth, but actually on the dates of the respective acknowledgements.

THE RIVERSOUTH AUTHORITY

By: _____
Name: _____
Title: _____

CITY OF COLUMBUS, OHIO

By: _____
Name: _____
Title: _____

ACKNOWLEDGEMENTS

STATE OF OHIO)
)
COUNTY OF FRANKLIN) SS:

On this ____ day of _____, 2004, before me personally appeared _____, the _____ of The RiverSouth Authority, who acknowledged the execution of the foregoing instrument, and that the same was such person’s valid act and deed on behalf of The RiverSouth Authority.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed my seal on the date and year aforesaid.

Notary Public

STATE OF OHIO)
)
COUNTY OF FRANKLIN) SS:

On this ____ day of _____, 2004 before me personally appeared _____, the _____ of the City of Columbus, who acknowledged the execution of the foregoing instrument, and that the same was such person’s valid act and deed on behalf of the City of Columbus.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed my seal on the day and year aforesaid.

Notary Public

This instrument was prepared by:

Gregory W. Stype
Squire, Sanders & Dempsey L.L.P.
1300 Huntington Center
41 South High Street
Columbus, Ohio 43215

EXHIBIT A

The Series 2004 A Projects

The Projects that are the subject of the First Supplemental Lease (with the current budgeted amount for each project in parentheses) are:

1. Purchase of Federated parcels and the fee titles to the land under the Lazarus Building (\$7,000,000);
2. Required Improvements for existing tenant of the Lazarus Building (\$1,000,000);
3. Initial renovations to Town and Front Street facades and Galleria Space of Lazarus Building (\$6,000,000); and
4. Acquisition of other real estate or interests in real estate in RiverSouth, design and/or construction of parking structures in support of RiverSouth redevelopment efforts, together with related costs and contribution to Main Street Bridge design. (\$19,000,000).