

613554 LEASE
BOOK 497 PAGE 0186
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AUDREY KOLTISKA, SHERIDAN COUNTY CLERK

NORTHERN WYOMING COMMUNITY COLLEGE DISTRICT,
STATE OF WYOMING
as Lessor

and

NORTHERN WYOMING COMMUNITY COLLEGE BUILDING AUTHORITY
as Lessee

GROUND LEASE

Relating to
\$5,700,000
Northern Wyoming Community College Building Authority
Lease Revenue Bonds
Series 2008A
(Sheridan Campus)

Dated as of June 15, 2008

The interest of the Northern Wyoming Community College Building Authority, in this Ground Lease has been assigned to Wyoming Bank & Trust, as trustee, under the Indenture of Trust dated as of June 15, 2008, from the Northern Wyoming Community College Building Authority to Wyoming Bank & Trust, as trustee, and is subject to the security interest of Wyoming Bank & Trust, as trustee.

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GROUND LEASE

THIS GROUND LEASE (the "Ground Lease"), dated as of June 15, 2008, is between Northern Wyoming Community College District, State of Wyoming, (the "District") a community college district and body corporate organized and existing under the constitution and laws of the State of Wyoming, as Lessor, and the Northern Wyoming Community College Building Authority (the "Authority"), a non-profit corporation organized and existing under the laws of the State of Wyoming, as Lessee.

RECITALS

A. The District is a duly and regularly created, organized and existing community college and body corporate, existing as such under and by virtue of the constitution and laws of the state of Wyoming, authorized by Wyoming Statute § 21-18-303 to hold and convey property for the benefit of the District either as lessor or lessee; and

B. The Authority is a non-profit corporation duly organized, existing, and in good standing under the laws of the state of Wyoming, duly qualified to do business in the state of Wyoming, and authorized under its articles and bylaws to lease or otherwise acquire, own, hold, improve, use or otherwise deal in and with real or personal property, or any interest therein; and

C. The District is the owner of certain real estate located within Sheridan County, Wyoming, the legal description of which is set forth in Exhibit A hereto (the "Property"); and

D. The District desires to lease the Property to the Authority and the Authority desires to lease the Property from the District, under the terms and conditions set forth herein; and

E. Pursuant to that certain Facilities Lease Agreement of even date herewith (the "Facilities Lease"), the Authority has subleased the Property and the facilities to be constructed thereon (herein the "Facilities") back to the District; and

F. Pursuant to that certain Indenture of Trust of even date herewith (the "Indenture") by and between the Authority as Grantor and Wyoming Bank & Trust, in Cheyenne, Wyoming, as Trustee (the "Trustee"), the Authority will assign all of its right, title and interest in, to, and under this Ground Lease and the Facilities Lease to the Trustee; and

G. The Authority will, concurrently with the delivery hereof, issue its Lease Revenue Bonds, Series 2008A in the aggregate principal amount of \$5,700,000 (the "Bonds") under and pursuant to the Indenture; and

H. A portion of the proceeds from the sale of the Bonds will be disbursed by the Trustee to pay for the construction, improvement and equipping of the Facilities; and

I. The execution and performance of this Ground Lease and the Facilities Lease have been authorized and approved by all necessary actions of the Authority and the District.

NOW THEREFORE, for and in consideration of the mutual promises and covenants herein contained, the District and the Authority accordingly hereby covenant and agree as follows:

Section 1. Lease of Property. The District hereby demises and leases the Property to the Authority and the Authority hereby hires, takes and leases the Property from the District, for the term, at the rental and on the conditions set forth herein, subject to Permitted Encumbrances as defined in the Facilities Lease. The District is not hereby leasing to the Authority any of its personal property acquired before or after the execution of this Ground Lease; provided that property permanently affixed to the Property and property acquired with proceeds of the Bonds shall be demised to the Authority pursuant to the terms of this Ground Lease.

Section 2. Reserved.

Section 3. Lease Term. The lease term for this Ground Lease shall commence as of the date of this Ground Lease and shall extend until 11:59 p.m. on June 30, 2028, provided that the lease term shall automatically terminate earlier after the occurrence of the events described under Sections 3.4(a) or (b) of the Facilities Lease. Upon any termination of this Ground Lease, the Authority and the Trustee will execute and deliver to the District such appropriate instruments of release as the District may reasonably request and will surrender all rights to possession of the Property to the District.

Section 4. Rent. The District hereby acknowledges receipt from the Authority concurrently with the execution and delivery of this Ground Lease of the sum of \$5,700,000, which sum constitutes the entire rental for the Property for the lease term during such period as the Facilities Lease remains in effect.

Section 5. Use of the Property. So long as neither the Facilities Lease nor the District's right of possession as Lessee thereunder have been terminated by the Authority pursuant to the Facilities Lease, the Authority shall hold and use the Property only for lease to the District under the Facilities Lease and shall not sell or assign its rights hereunder nor the leasehold estate hereby created except to the extent that the same is assigned to the Trustee pursuant to the Indenture. Upon any such termination, the Authority may use the Property for any lawful purpose, may assign its rights hereunder or the leasehold estate hereby created to any person or persons without the consent of the District, and may enter upon the Property for purposes of taking possession thereof. Upon the termination of the Facilities Lease, the Authority shall insure the Property as provided in Section 5.2 of the Facilities Lease and shall maintain the Property and all property thereon in good repair to the extent revenues are available for such purposes from the use or subleasing of the Property. If revenues are not sufficient for the Authority to so maintain and insure the Property after termination of the Facilities Lease, the Authority shall notify the District in writing. The District may thereafter at its option provide such revenues as are needed to maintain and insure the Property, and the Authority shall apply such revenues solely for such purposes.

Section 6. Additions, Alterations and Improvements. Subject to the provisions of the Facilities Lease, the Authority shall have the right at such times as the Authority is in possession of the Property to make such changes, additions, deletions, improvements and alterations, structural or otherwise, to the improvements on the Property as the Authority shall deem necessary or desirable, provided that any such items affecting the structure of the building on the Property or that are otherwise permanent in nature must be approved in writing by the District.

Section 7. Amendments, Changes and Modifications. This Ground Lease may not be amended, changed, modified, altered or terminated nor may any provision be waived hereunder without the written consent of the Authority, and of any assignee, mortgagee and sublessee from the Authority or the Trustee of the Ground Lease leasehold estate, except as provided in Section 3 above. Any attempted amendment or termination in violation of this Section 7 shall be void.

Section 8. Condemnation.

(a) Section 5.3(c) of the Facilities Lease shall govern in the event of damage, destruction or condemnation to the Property during the term of the Lease.

(b) If the Facilities Lease is no longer in effect, or if proceeds remain from an award after the satisfaction of Section 5.3(c) of the Facilities Lease, the District and the Authority shall share in the award in the following order of priority:

(i) The District shall be entitled to receive that portion of the award, with interest thereon, as shall represent compensation for the value of the Property, as improved with whatever improvements, existing when the Lease Term commenced, still exist, such value being hereinafter referred to as the "Land Value." The District shall also be entitled to costs awarded in the condemnation proceeding proportionately attributable to such Land Value.

(ii)

(A) During the Lease Term, except the last five years of the Lease Term, the Authority shall be entitled to the balance of the award (the "Award Balance").

(B) If the taking or condemnation as above set forth shall occur at any time during the last five years of the Lease Term, the Authority shall be entitled to receive out of the award, with interest thereon, the award balance diminished by twenty percent (20%) of such Award Balance for each full year (and in proportion for a fraction of a year) that elapses from the first day of said five-year period to the date of the vesting of title in the condemnor; the remaining Award Balance and interest thereon, as well as the award for Land Value and interest thereon, shall belong to the District.

Section 9. The Authority's Right to Assign and Sublet. Except as may be provided otherwise in the Facilities Lease and the Indenture, the Authority and the Trustee have the unrestricted right to assign and sublet, from time to time, all or any part of this Ground Lease and the leasehold estate hereby created, to any one or more persons, firms or entities irrespective of financial responsibility. Upon an assignment of this Ground Lease, the assignee shall thereupon be subrogated to all the rights of the former lessee under this Ground Lease whereupon: (i) the former lessee shall have no further rights or obligations hereunder; and (ii) such assignee shall forthwith be obligated to assume and perform each and all of the former lessee's obligations and covenants hereunder, except the Trustee, to the extent provided otherwise in the Indenture and in Section 15 of this Ground Lease.

The Authority may enter into the Facilities Lease to the District and the assignment of the Authority's leasehold estate in this Ground Lease to the Trustee on the terms provided in the Indenture.

Section 10. The Authority's Refutation of Claims for Services. Nothing contained in this Ground Lease shall constitute any consent or request by the District, express or implied, for the performance of any labor or services or the furnishing of any materials or other property in respect of the Property or any part thereof.

Section 11. Default. If any default by either party under this Ground Lease not relating to the right to possession shall be continuing for more than 15 days after written notice of default by the other party, or in the event any default relating to the right of possession to the Property shall be continuing for five days after notice of default, the other party may enforce the provisions of this Ground Lease and may enforce and protect its right by a suit or suits in equity or at law for the specific performance of any covenant or agreement contained herein or for the enforcement or any other appropriate legal or equitable remedy; provided, however, that this Ground Lease cannot be terminated except as provided in Section 3 above.

Section 12. Notices. All notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed given when mailed by registered mail, postage prepaid, addressed as follows:

(a) If to the Authority:

Northern Wyoming Community College Building Authority
P.O. Box 1500
Sheridan, WY 82801
Attention: President

(b) If to the District:

Northern Wyoming Community College District
3059 Coffeen Avenue
Sheridan, Wyoming 82801
Attention: Chairman, Board of Trustees

(c) A duplicate copy of each notice, certificate or other communication given hereunder by either the Authority or the District to the other shall also be given to the Trustee addressed as follows:

Wyoming Bank & Trust
5827 Yellowstone Avenue
Cheyenne, WY 82009
Attention: Corporate Trust Department

The Authority, the District and the Trustee may, by notice given hereunder, designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent.

Section 13. Binding Effect. This Ground Lease shall inure to the benefit of and shall be binding upon the Authority and the District and their respective successors and assigns.

Section 14. Severability. In the event any provision of this Ground Lease shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

Section 15. Limitation of Liability. To the extent permitted by law, the District hereby releases the Authority and indemnifies and holds harmless the Authority, its officers, members or employees from liability for any and all losses, injuries, claims, damages or injuries to persons or property, demands and expenses, including legal expenses, of whatsoever kind and nature and by whomsoever made, arising during the existence of the Facilities Lease from the Authority to the District, except as provided in the Facilities Lease. It is expressly understood and agreed that any covenant, undertaking or agreement of the Authority expressed or implied from this Ground Lease shall bind only the Property, and that no liability or responsibility is assumed by nor shall at any time be enforceable against the Authority or the Trustee, all such liability, if any, being waived as to the Authority and the Trustee, but not as to their successors after mortgage or assignment to the extent provided in Section 9 of this Ground Lease.

Section 16. Applicable Law. This Ground Lease shall be governed exclusively by the applicable laws of the State of Wyoming.

Section 17. Execution in Counterparts. This Ground 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.

IN WITNESS WHEREOF, the District and the Authority have caused this Ground Lease to be executed in their respective corporate names and attested by their duly authorized officers, all as of the date first above written.

[SEAL]

NORTHERN WYOMING COMMUNITY
COLLEGE DISTRICT

By: Mike Nickel
Mike Nickel
Chairman, Board of Trustees

Attest:

By: Lu Wro99e
Secretary

[SEAL]

NORTHERN WYOMING COMMUNITY
COLLEGE BUILDING AUTHORITY

By: Mark S. Kinner
Mark Kinner, President

Attest:

By: John E. Johnson
Secretary/Treasurer

STATE OF WYOMING)
) ss:
 COUNTY OF SHERIDAN)

The foregoing instrument was acknowledged before me this 25th day of June, 2008, by Mike Nickel, as Chairman, and by Walt Wragge, as Secretary, of the Board of Trustees of the Northern Wyoming Community College District.

WITNESS my hand and official seal.

Doris Ostrowski

Notary Public for the State of Wyoming

[SEAL]

My commission expires: 11/9/10



STATE OF WYOMING)
) ss:
 COUNTY OF SHERIDAN)

The foregoing instrument was acknowledged before me this 25th day of June, 2008, by Mark Kinner, as President and by Jack Pelissier, as Secretary/Treasurer of the Northern Wyoming Community College Building Authority.

WITNESS my hand and official seal.

Doris Ostrowski

Notary Public for the State of Wyoming

[SEAL]

My commission expires: 11/9/10

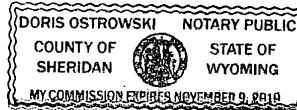


EXHIBIT A

LEGAL DESCRIPTION OF PROPERTY

The following legal description is intended to encompass Phase 1 of the Sheridan College Housing Development as well as parking areas and access to US Highway 87.

A tract of land situated within the Southeast Quarter of the Southwest Quarter (SE $\frac{1}{4}$ of SW $\frac{1}{4}$) and the Southwest Quarter of the Southeast Quarter (SW $\frac{1}{4}$ of SE $\frac{1}{4}$) of Section 2, Township 55 North, Range 84 West, 6th P.M., Sheridan County, Wyoming, as shown on Exhibit "B" attached hereto and by this reference made a part thereof; said tract being more particularly described as follows:

Commencing at the South Quarter Corner of said Section 2; thence N16°00'36"E, 912.35 feet to the Point of Beginning of said tract; thence N02°37'49"E a distance of 65.24 feet to a point; thence N15°28'22"W a distance of 48.31 feet to a point; thence S74°31'38"W a distance of 33.86 feet to a point; thence N15°41'05"W a distance of 60.93 feet to a point; thence S74°16'28"W a distance of 55.38 feet to a point; thence N15°43'32"W a distance of 76.69 feet to a point; thence N74°16'29"E a distance of 75.09 feet to a point; thence S15°43'34"E a distance of 117.71 feet to a point; thence N74°31'38"E a distance of 152.56 feet to a point; thence N15°26'05"W a distance of 70.14 feet to a point; thence N74°33'55"E a distance of 127.73 feet to a point; thence N00°29'11"E a distance of 56.24 feet to a point; thence N89°30'49"W a distance of 104.00 feet to a point; thence N00°29'11"E a distance of 127.50 feet to a point; thence N89°31'21"W a distance of 537.86 feet to a point; thence S59°12'09"W a distance of 28.46 feet; thence through a non-tangent curve to the left, having a radius of 154.50 feet, a central angle of 44°34'31", an arc length of 120.20 feet, a chord bearing of S57°09'26"W, and a chord length of 117.19 feet to a point; thence S34°52'11"W a distance of 153.46 feet; thence N53°43'19"W a distance of 38.83 feet; thence N62°41'29"W a distance of 20.74 feet; thence through a curve to the left, having a radius of 188.50 feet, a central angle of 18°12'19", an arc length of 59.89 feet, a chord bearing of N72°32'43"W, and a chord length of 59.64 feet to a point; thence N81°52'43"W a distance of 24.97 feet to a point lying on the Easterly right of way line of U.S. Highway 87 (a.k.a. Coffeen Avenue); thence along said Easterly right of way line through a non-tangent curve to the right, having a radius of 2507.12 feet, a central angle of 00°34'18", an arc length of 25.01 feet, a chord bearing of N06°16'07"E, and a chord length of 25.01 feet to a point; thence S81°52'43"E a distance of 25.83 feet to a point; thence through a curve to the right, having a radius of 213.50 feet, a central angle of 18°15'53", an arc length of 68.06 feet, a chord bearing of S72°31'46"E, and a chord length of 67.77 feet to a point; thence S62°41'29"E a distance of 11.93 feet to a point; thence N34°52'11"E a distance of 243.76 feet to a point lying on the North line of the above described Parent Tract; thence S89°30'50"W along said North line a distance of 761.32 feet to a point; thence S00°29'11"E a distance of 232.69 feet to a point; thence S16°20'29"E a distance of 63.76 feet to a point; thence N73°51'16"E a distance of 40.09 feet to a point; thence S16°08'44"E a distance of 45.00 feet to a point; thence S73°51'16"W a distance of 130.37 feet to a point; thence S15°24'37"E a distance of 87.97 feet to a point; thence S74°35'23"W a distance of 136.50 feet to a point; thence S59°29'06"W a distance of 32.43 feet to a point; thence N87°22'11"W a distance of 50.17 feet to the Point Of Beginning and containing 2.73 acres more or less.

Subject to any easements, exceptions, reservations, restrictions, or conditions contained in prior conveyances of record.