

GROUND LEASE AGREEMENT

By and Between

**INDEPENDENT SCHOOL DISTRICT NO. 3,
TULSA COUNTY, OKLAHOMA
(BROKEN ARROW PUBLIC SCHOOLS),**

Lessor

and

TULSA COUNTY INDUSTRIAL AUTHORITY,

Lessee

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THIS GROUND LEASE AGREEMENT (this “Ground Lease”) is made and entered into as of _____ 1, 2021, by and between the INDEPENDENT SCHOOL DISTRICT NO. 3, TULSA COUNTY, OKLAHOMA (BROKEN ARROW PUBLIC SCHOOLS), a school district organized and existing under the laws of the State of Oklahoma (“Lessor”) and TULSA COUNTY INDUSTRIAL AUTHORITY, a public trust organized and existing under the laws of the State of Oklahoma (“Lessee”).

RECITALS

WHEREAS, Lessee will enter into a Bond Indenture dated as of _____ 1, 2021, with BOKF, National Association, Tulsa, Oklahoma, a national banking association, regarding the issuance of Bonds (defined herein) to provide funds required for the acquisition, construction, equipping, renovating and remodeling of school buildings, acquiring school furniture, fixtures and equipment and acquiring and improving school sites on which such facilities are to be constructed for the benefit of Lessor, the payment of capitalized interest on the Bonds, if any, and the payment of the cost of the issuance of the Bonds (the “Project”); and

WHEREAS, Lessor owns the Real Property (defined herein) on which the Improvements (defined herein) will be placed, and the Indenture (defined herein) anticipates that Lessor will lease the Real Property to Lessee pursuant to this Ground Lease to facilitate the issuance of the Bonds and to provide security for payment of the Bonds and performance of the obligations under the Indenture; and

WHEREAS, the Indenture further anticipates that Lessee will enter into a Sublease (defined herein) with Lessor of even date with this Ground Lease wherein the Real Property will be subleased to Lessor to enable Lessor to utilize the proceeds of the Bonds for the construction and placement of the Improvements on the Real Property and to provide a mechanism for Lessor to obtain title to the Improvements and the reconveyance of the Leasehold Estate (defined herein), free and clear of the Security Interests (defined herein);

NOW, THEREFORE, IN CONSIDERATION OF THE MUTUAL COVENANTS, CONDITIONS AND AGREEMENTS WHICH FOLLOW, THE PARTIES HEREBY AGREE AS FOLLOWS:

SECTION 1. **Definitions.** All words and terms used in this Ground Lease and not otherwise defined herein shall have the meaning given them in the Indenture. The following terms as used in this Ground Lease, shall have the following meanings, unless the context indicates otherwise:

“*Assignment*” means the Assignment of Rents and Leases of even date herewith executed by Lessee in favor of the Trustee (defined herein), as the same may be amended and/or supplemented from time to time as permitted by the Indenture and any other encumbrance of Lessee’s interests in this Ground Lease or the Sublease in favor of the Trustee.

“*Bond Documents*” means, collectively, the Indenture, the Bonds, the Bond Resolution, the Sublease, the Assignment, the Continuing Disclosure Agreement, and this Ground Lease and any other documents executed to secure payment of the Bonds or performance of obligations under the Indenture and all other instruments or agreements executed by Lessee or Lessor in connection with the issuance and delivery of the Bonds.

“*Bonds*” means the Issuer’s \$ _____ Educational Facilities Lease Revenue Bonds (Broken Arrow Public Schools Project) Series 2021.

“*Bond Counsel*” means the Hilborne & Weidman, A Professional Corporation, Tulsa, Oklahoma.

“*Commencement Date*” means _____ 1, 2021.

“*Continuing Disclosure Agreement*” means the Continuing Disclosure Agreement between Lessor and Trustee dated as of _____ 1, 2021.

“*Event of Default*” has the meaning set forth in *Section 13* hereof.

“*Financial Advisor*” means Stephen H. McDonald and Associates, Inc., Norman, Oklahoma.

“*Improvements*” means all improvements to and constructed on the Real Property and all fixtures and Personal Property placed on the Real Property for the benefit of Lessor, including but not limited to those items described in Exhibit “C” attached hereto.

“*Indenture*” means the Bond Indenture of even date herewith between Lessee and the Trustee, as the same may be amended and/or supplemented from time to time in accordance with the provisions thereof.

“*Leasehold Estate*” means the leasehold estate in the Premises created pursuant to this Ground Lease.

“*Lien*” means any lien, encumbrance, or charge levied on account of any mechanic's, laborer's, or materialmen's lien, or any security agreement, conditional bill of sale, title retention agreement, chattel mortgage, or otherwise created or permitted that might or does constitute a lien, encumbrance, or charge upon the Improvements or Real Property, or any part thereof, or the income therefrom.

“*Permitted Encumbrances*” means (i) liens, if any, for ad valorem taxes, special assessments, and other charges not then delinquent or for taxes, assessments, and other charges being contested in accordance with the terms of this Ground Lease, (ii) the Bond Documents and Security Interests, (iii) currently existing utility, access, and other easements and rights of way, restrictions, and exceptions, (iv) liens or encumbrances securing Additional Bonds permitted by the Indenture, (v) inchoate mechanics’ and materialmen’s liens that arise by operation of law, but that have not been perfected by the required filing of record, for work done or materials delivered after the date of

recording a memorandum of this Ground Lease; and (vi) the Sublease.

“*Personal Property*” means all machinery, equipment, appliances, furniture, and any other personal property of any kind or description and used in connection with the Improvements and by agreement of the parties hereto will not become fixtures under the laws of the State of Oklahoma until the Lessor has acquired the Improvements from the Lessee pursuant to Section 3 of this Lease.

“*Premises*” means the existing improvements on the Real Property, if any, the Improvements and the Real Property, sometimes referred to herein as the “Leasehold Estate.”

“*Real Property*” means the land located in Tulsa County, Oklahoma that is more particularly described in Exhibit “A” attached hereto, incorporated by reference and made a part hereof.

“*Security Interests*” means the security interests of the Trustee granted in the Indenture, the Assignment and any other liens or security interests granted in favor of the Trustee to secure payment of the Bonds and performance of all obligations under the Indenture.

“*State*” means the State of Oklahoma.

“*Sublease*” means the Sublease Agreement of even date herewith between Lessee, as the Sublessor, and Lessor, as the Sublessee, which is hereby incorporated by reference and made a part hereof, as the same may be amended and/or supplemented from time to time in accordance with the provisions thereof.

“*Term*” has the meaning set forth in Section 2 hereof.

“*Termination Date*” means the date on which the Term ends by termination or expiration of this Ground Lease.

“*Trustee*” means BOKF, National Association, Tulsa, Oklahoma, a national banking association, as Trustee under the Indenture, and its successors and assigns in such capacity.

SECTION 2. Lease of Real Property; Term. Lessor, in consideration of the rents, covenants, agreements, and conditions herein set forth that Lessee hereby agrees shall be paid, kept, and performed, does hereby lease unto Lessee, and Lessee does hereby lease from Lessor, the Real Property, together with all existing improvements, if any, and Improvements now or hereafter located thereon and appurtenances thereto and all other Improvements hereunder. The term of this Ground Lease shall commence on the Commencement Date and extend to June 30, 2032, under the terms of the Indenture but shall expire at 11:59 p.m. on the date on which the Bonds are paid, defeased or redeemed and the Indenture is no longer in effect, unless otherwise extended or sooner terminated in accordance with the provisions hereof or by operation of law (the “Term”).

SECTION 3. **Rent; Consideration.** Lessee has prepaid to Lessor all rent due throughout the Term in an amount equal to ten dollars (\$10). Lessor agrees that (i) the rent paid by Lessee, (ii) the financing of the Improvements through Lessee's issuance of the Bonds for the benefit of Lessor, (iii) the residual value of the Improvements at the conclusion of the Term accruing to Lessor, and (iv) Lessee's agreement to enter into the Sublease constitute fair and equitable consideration for the conveyance of the Leasehold Estate to Lessee.

SECTION 4. **Lessor's Obligations Regarding the Premises.** Concurrently with the execution of this Ground Lease, Lessor and Lessee are entering into the Sublease. Pursuant to the terms of the Sublease, Lessor as the Sublessee under the Sublease is obligated to do the following, among other requirements, with regard to the Premises (i) construct or cause to be constructed, furnished and equipped the Improvements, (ii) maintain the Premises, (iii) maintain insurance on the Premises, (iv) pay all taxes and assessments accruing against the Premises, if any, and all other operating costs and expenses in connection with the Premises; and (v) to utilize the Premises only for educational purposes (the obligations described in this subsection 4.(ii) – (v) are collectively referred to as "Maintenance of Premises"). As long as the Sublease remains in effect and except as otherwise expressly stated herein, the rights and obligations of the parties with respect to the construction of the Improvements and Maintenance of the Premises shall be controlled by the Sublease. To the extent that the Lessor is allowed to remain in possession of the Premises as a matter of its right to do so under the Sublease or by virtue of written consent of the Lessee on the expiration or earlier termination of the Sublease, the provisions of the Sublease regarding the Maintenance of the Premises shall be incorporated into this Ground Lease, at the option of and in the sole discretion of Lessee, and shall remain the obligations of Lessor until the Termination Date.

SECTION 5. **Lessor's Representations and Covenants.**

(a) *Quiet Enjoyment.* Lessor represents that it owns fee simple, marketable title to the Real Property subject to no restrictions, liens, or other encumbrances other than the Permitted Encumbrances. Lessor further covenants and agrees that, throughout the Term, Lessee may peaceably and quietly enjoy the Real Property subject, however, to any applicable zoning and land use restrictions, Permitted Encumbrances, Lessee's fulfillment of the covenants and agreements contained in this Ground Lease and to the terms and conditions of the Sublease.

(b) *Access.* Lessor represents that the Real Property has access for ingress and egress to a public street or roadway. To the extent that it is necessary to access the Real Property by passing over any adjacent property owned by Lessor, Lessor hereby grants to Lessee and its successors, assigns, successors-in-title, invitees, employees, and sublessees, a non-exclusive easement on, over, across, and through Lessor's adjacent property(ies) for all forms of pedestrian and vehicular ingress, egress, and access between the Real Property and the public streets and roadways. The non-exclusive easement herein granted shall expire automatically on the Termination Date.

(c) *Environmental Condition.* Lessor represents that the Real Property has not been the site of any activity that would violate any past or present environmental law or regulation of any governmental body or agency having jurisdiction over the Real Property. Specifically, but

without limitation, (i) solid waste and/or petroleum products have not been handled or stored on the Real Property such that they may have leaked or spilled onto the Real Property or contaminated the Real Property, (ii) there is no on-site contamination resulting from activities on the Real Property or adjacent tracts, and (iii) the Real Property contains no substances defined as “hazardous substances”, “hazardous materials”, or “toxic substances” in the Comprehensive Environmental Response, Compensation and Liability Act of 1980; the Hazardous Materials Transportation Act; and the Resources Conversion and Recovery Act.

(d) Continuing Disclosure Obligations. Lessor covenants and agrees that at all times during the Term of this Ground Lease it shall abide by and comply with in all material respects the Continuing Disclosure Agreement included in the Bond Documents, and Lessor further covenants and agrees that its compliance with the Continuing Disclosure Agreement shall be timely and in conformity with the rules of the Securities and Exchange Commission.

(e) Lease Purchase Acquisition Payments. Lessor covenants and agrees that at all times during the Term of this Ground Lease, Lessor shall continue to make its Lease Purchase Acquisition Payments as set forth in attached Exhibit “B”, subject to the terms and conditions of the Sublease. Lessor further covenants and agrees that at all times during the Term of this Ground Lease if Lessor terminates its contract with the Financial Advisor or does not enter into a new contract or renewal of contract with the Financial Advisor or enters into a new contract or agreement with a party acting in a financial advisory capacity to Lessor that is not the Financial Advisor, Lessor shall continue to make its Lease Purchase Acquisition Payments as set forth in attached Exhibit “B”, subject to the terms and conditions of the Sublease.

SECTION 6. **Title to the Improvements.** Title to all Improvements shall be vested in Lessee until the Termination Date, subject to the right of Lessor to purchase Lessee’s right, title and interest in and to the Improvements prior to the Termination Date pursuant to Section 3(c) of the Sublease in accordance with the “Schedule of Lease Purchase Payments for Improvements” attached hereto as Exhibit “B” and incorporated herein for all purposes. On the Termination Date title to and ownership of all of the Improvements, other than the Improvements previously vested in Lessor or disposed of by Lessee in accordance with Section 13(b) hereof after the occurrence of an Event of Default, shall automatically and immediately vest (without the necessity of any further action being taken by Lessee or Lessor or any instrument being executed and delivered by Lessee to Lessor) in Lessor, free and clear of the Security Interests provided that the obligations secured by the Security Interests in favor of the Trustee have been satisfied. To the extent that legal title to the Improvements does not automatically vest in Lessor on the Termination Date, within a reasonable period of time after the Termination Date, Lessee agrees to execute and deliver a deed or bill of sale, as appropriate, to convey legal title to the Improvements to Lessor. Subject to the satisfaction of the obligations secured by the Security Interests, Lessee further agrees to obtain and deliver to Lessor within a reasonable period of time after the Termination Date a release(s) of the Security Interests in the Improvements. Notwithstanding anything contained herein to the contrary, during the term of this Ground Lease as long as an Event of Default has not occurred, Lessor shall be permitted to remove Personal Property from the Premises only for the purpose of substituting or replacing the same with comparable new or improved Personal Property with a minimum value equal to the value of the Personal Property removed.

SECTION 7. **Liens and Encumbrances.**

(a) *No Encumbrances.* Except for the Permitted Encumbrances, neither Lessor nor Lessee shall create or permit to be created any Lien against the Improvements or Real Property. Any Lien against the Improvements or Real Property, other than the Permitted Encumbrances, shall be discharged by the party who creates or permits the same to be created. Nothing in this Ground Lease shall be deemed or construed in any way as constituting the consent or request of Lessor or Lessee, express or implied, by inference or otherwise, to the filing of any Lien against the Improvements or Real Property by any contractor, subcontractor, laborer, materialman, architect, engineer, or other person for the performance of any labor or the furnishing of any materials or services for or in connection with the Improvements or any part thereof.

(b) *Right to Contest.* Neither Lessor nor Lessee (the “Contesting Party”) shall be required to pay, discharge or remove any Lien so long as the Contesting Party contests in good faith such Lien or the validity, applicability or amount thereof by an appropriate legal proceeding which operates to prevent the collection of such amounts and the sale of the Premises or any portion thereof so long as prior to the date on which such Lien would otherwise have become delinquent, the Contesting Party shall have given the other party prior written notice of its intent to contest the Lien. Any such contest shall be prosecuted with due diligence, and the Contesting Party shall promptly pay (or cause payment of) the amount of such Lien as finally determined, together with all interest and penalties payable in connection therewith.

SECTION 8. **Assignment of Lease.**

(a) *Lessee Assignments.* So long as the Sublease is in full force and effect and except for the Sublease and grant of the Security Interests created pursuant to the Bond Documents, Lessee shall not have the right to assign, pledge, sublease or transfer this Ground Lease or any interest herein or any right or privilege appurtenant hereto or to sublease the Real Property or any portion thereof, unless the written consent of Lessor is first obtained. Any assignment or transfer for which consent is required but which is nevertheless made without such written consent shall be void ab initio. The foregoing notwithstanding, the following shall not be construed or deemed to be prohibited transfers or assignments by Lessee pursuant to this Section 8 and shall not require the prior consent of Lessor (i) any transfers or assignments to the Trustee pursuant to the Indenture to secure payment of the Bonds and the performance of the obligations under the Indenture, (ii) any reorganization, merger, restructure or renaming of Lessee, or (iii) any change of control of Lessee. On the termination or expiration of the Sublease, during the remaining term of this Ground Lease, Lessee shall have the right to assign, pledge, sublease or transfer this Ground Lease or any interest herein or any right or privilege appurtenant hereto or to sublease the Real Property or any portion thereof, without the consent of Lessor.

(b) Lessor Assignments. Except for the collateral assignment of the Ground Lease to the Trustee provided for in the Bond Documents, if allowable and to the extent permitted by applicable law, Lessor shall not have the right to assign, pledge or transfer this Ground Lease or any interest herein or any right or privilege appurtenant hereto or to further lease the Real Property or any portion thereof, unless the written consent of Lessee and Trustee is first obtained. If allowable and to the extent permitted by applicable law, any assignment or transfer for which consent is required but which is nevertheless made without such written consent shall be void ab initio.

SECTION 9. Indemnification by Lessor. TO THE EXTENT PERMITTED BY APPLICABLE LAW AND NO REPRESENTATION IS MADE THAT APPLICABLE LAW EXISTS ALLOWING FOR INDEMNIFICATION, LESSOR HEREBY RELEASES AND AGREES TO INDEMNIFY AND HOLD HARMLESS LESSEE, AND TRUSTEE AND ALL OF THEIR OFFICERS, EMPLOYEES, DIRECTORS, AGENTS, AND CONSULTANTS (HEREINAFTER COLLECTIVELY REFERRED TO AS THE “INDEMNITEES”) OF AND FROM ANY AND ALL CLAIMS, DEMANDS, LIABILITIES, LOSSES, COSTS, OR EXPENSES FOR ANY LOSS INCLUDING BUT NOT LIMITED TO BODILY INJURY (INCLUDING DEATH), PERSONAL INJURY, REAL PROPERTY DAMAGE, EXPENSES, AND REASONABLE ATTORNEYS' FEES, CAUSED BY, GROWING OUT OF, OR OTHERWISE HAPPENING IN CONNECTION WITH THIS GROUND LEASE OR DUE TO ANY NEGLIGENT ACT OR OMISSION ON THE PART OF LESSOR, TRUSTEE, THEIR AGENTS, EMPLOYEES, OR OTHERS WORKING AT THE DIRECTION OF LESSOR OR TRUSTEE OR ON THEIR BEHALF, OR DUE TO THE APPLICATION OR VIOLATION OF ANY PERTINENT FEDERAL, STATE, OR LOCAL LAW, RULE, OR REGULATION BY LESSOR OR TRUSTEE, THEIR AGENTS, EMPLOYEES OR OTHERS WORKING AT THE DIRECTION OF LESSOR OR TRUSTEE. THIS INDEMNIFICATION EXTENDS TO THE SUCCESSORS AND ASSIGNS OF LESSEE, AND THIS INDEMNIFICATION SURVIVES THE EXPIRATION OR TERMINATION OF THIS GROUND LEASE AND THE DISSOLUTION OR, TO THE EXTENT ALLOWED BY LAW, THE BANKRUPTCY OF LESSOR OR TRUSTEE.

SECTION 10. Fire and Other Casualties and Liabilities.

(a) Risk of Loss. Lessor shall bear all risk of loss of damage or destruction to the Premises and all risk of loss for other liabilities related to the Premises arising from any cause other than intentional acts of the Lessee. Subject to the requirements of Section 3.03 of the Indenture, any requirements in the Sublease and to the prior written consent of Lessee and Trustee, to the extent that any portion of the Premises are damaged or destroyed, Lessor shall restore such damaged or destroyed portions of the Premises with due diligence at Lessor’s expense, as nearly as possible to the Premises’ value, condition and character immediately before such damage or destruction. Such restoration shall be in accordance with all applicable laws, completed in a good and workmanlike manner and in accordance with plans and specifications therefore approved in writing by Lessee and Trustee.

(b) Insurance. Lessor shall procure and maintain in full force and effect on the Premises all applicable forms of property and liability insurance required by Section 7 of the Sublease and the Bond Documents for the benefit of Lessor, Lessee and the Trustee to the extent permitted by applicable law and provide proof of such insurance coverage on the execution of this Ground Lease in accordance with Section 7 of the Sublease. Upon the expiration or termination of the Sublease, if Lessor remains in possession of the Premises as a matter of its right to do so under the Sublease or by virtue of written consent of Lessee, all insurance requirements of Lessor as the Sublessee under the Sublease shall be incorporated herein by reference and remain the obligations of Lessor at the option of and in the sole discretion of Lessee.

(c) No Termination. No total or partial damage to or destruction of any or all of the Premises shall entitle Lessor to terminate this Ground Lease, or shall relieve Lessor from its obligations hereunder, and to the extent permitted by applicable law Lessor hereby waives any right now or hereafter conferred upon it by statute or otherwise, on account of any such damage or destruction to surrender or terminate this Ground Lease.

(d) Subordination to Bond Documents. Notwithstanding any provision contained herein to the contrary, the provisions of the Bond Documents and, specifically, Section 3.06 of the Indenture shall control in all respects the receipt, handling, and application of any and all insurance proceeds, it being acknowledged and agreed that the Trustee, shall have a first and prior security interest therein and shall determine whether the insurance proceeds will be applied for redemption of the Bonds or restoration of the Premises. To the extent any insurance proceeds are not used to restore the Premises, they shall be paid to the Trustee to redeem the Bonds in accordance with Section 3.03 of the Indenture.

SECTION 11. Condemnation.

(a) General. The term “condemnation” as used in this Ground Lease means the taking or appropriation of the Real Property, or any interest therein, in exercise of the power or right of eminent domain or such taking for public or quasi-public use or any state of facts relating to the taking or appropriation of the Real Property which, without an actual taking or appropriation, shall result in direct or consequential damages to the Real Property or the Leasehold Estate herein. Such term shall also be deemed to include to the extent not otherwise defined in this paragraph, a temporary taking of the Real Property or any part thereof or the Improvements for a period of one year or more, and the taking of the Leasehold Estate created herein.

(b) Total Condemnation. If all or substantially all of the Real Property is so condemned, this Ground Lease shall terminate on the date title to the Real Property vests in the condemnor; provided, however, that such termination shall be without prejudice to the rights of Lessor and Lessee to recover just and adequate compensation from any such condemnor and further provided that all sums owing under the Bond Documents are paid in full as set forth in subsection (c)(i) below.

(c) Division of Award - Total Condemnation. Subject to the controlling provisions of the Bond Documents, if the Real Property is totally condemned as provided in subsection (b) above, the condemnation proceeds shall be paid as follows:

(i) Lessee first shall be entitled to receive such portion of the condemnation proceeds as shall equal the principal balance and accrued interest on and all other sums owing under the Bond Documents which shall be directly paid to the Trustee for the redemption of Bonds pursuant to Section 3.03 of the Indenture.

(ii) Lessor shall then be entitled to receive the balance of the condemnation proceeds.

(d) Partial Condemnation. In the event of a taking of less than a total taking as provided in subsection (b) above, *this Ground Lease shall terminate* as to the condemned portion of the Real Property on the date title to the condemned portion of the Real Property vests in the condemnor; provided, however, that such termination shall be without prejudice to the rights of Lessor and Lessee to recover just and adequate compensation from any such condemnor. The provisions of this Ground Lease shall remain in full force and effect as to the portion of the Real Property not condemned.

(e) Division of Award - Partial Condemnation. Subject to the controlling provisions of the Bond Documents, if the Real Property is partially condemned as provided in subsection (d) above, the condemnation proceeds shall be paid as follows:

(i) Lessee first shall be entitled to receive such portion of the condemnation proceeds as shall equal the Trustee's equitable portion of the principal balance and accrued interest on and all other sums owing under the Bond Documents. Such amount shall be directly paid to such the Trustee for the redemption of Bonds pursuant to Section 3.03 of the Indenture.

(ii) Lessor shall then be entitled to receive the balance of the condemnation proceeds.

(f) Subordination to Bond Documents. Notwithstanding any provision contained herein to the contrary, the provisions of the Bond Documents and specifically, Section 3.06 of the Indenture shall control in all respects the receipt, handling, and application of any and all condemnation proceeds, it being acknowledged and agreed that the Trustee, shall have a first and prior security interest therein. All condemnation proceeds shall be paid to the Trustee to redeem Bonds in accordance with Section 3.03 of the Indenture.

SECTION 12. Annual Estoppel Certificates.

(a) Lessor and Lessee will execute, acknowledge and deliver to the other promptly upon request, an annual certificate certifying as to the following:

(i) Validity of Lease: that this Ground Lease is unmodified and in full force and effect (or, if there have been modifications, that this Ground Lease is in full force and effect, as modified, and stating the modifications);

(ii) Defaults by Lessee: that no notice has been given by Lessor to Lessee of any failure to comply under this Ground Lease that has not been cured and to the best of its knowledge and belief no Event of Default exists (or, if there has been any notice given or an Event of Default exists, describing the same).

(b) Certificates from Lessor and Lessee pertaining to the same matters may be relied upon by any prospective successor Trustee or by any prospective assignee of an interest under this Ground Lease or by any prospective sublessee as to all or any portion of the Real Property.

SECTION 13. Events of Default and Remedies.

(a) Events of Default Defined. An “Event of Default” has occurred if (i) Lessor fails to perform or cause to be performed any term, covenant, condition, or provision hereof or of the Sublease after written notice is given to Lessor and Trustee by Lessee; (ii) there is a breach of or material inaccuracy in the representations and warranties of Lessor specified in a written notice given to Lessor and Trustee by Lessee, or (iii) Lessor files a voluntary petition in bankruptcy, and fails to correct such default within thirty (30) days after written notice specifying the default is given. In the case of any default that cannot with due diligence be corrected within such thirty (30) day period, but can be wholly corrected within a period of time not materially detrimental to the rights of the Lessee, it shall not constitute an Event of Default if corrective action is instituted by Lessor within the applicable period and diligently pursued (as reasonably determined by Lessee and Trustee) until the default is corrected in accordance with and subject to any directions or limitations of time established in writing by the Lessee and Trustee.

(b) Lessee Remedies. Upon the occurrence of an Event of Default by Lessor, Lessee may, upon ninety (90) days written notice and opportunity to cure provided to the Lessor, with or without additional notice or demand, and without limiting the Lessee’s remedies as a result of the Event of Default, do any of the following:

(i) Compel specific performance by Lessor of its obligations under this Ground Lease;

(ii) To the extent permitted by this Ground Lease and the Trustee, terminate the Ground Lease and seek to recover from Lessor all damages incurred by the Lessee by reason of the Event of Default by the Lessor including, but not limited to attorneys’ fees;

(iii) Remove, sell, lease or otherwise dispose of all Improvements that have not vested in Lessor pursuant to Section 3(c) of the Sublease; or

iv) Pursue any other remedy available to Lessee under the laws of the State of Oklahoma.

The failure of Lessee to exercise such rights after one or more Events of Default shall not be a waiver of the rights of Lessee upon the occurrence of any subsequent Event of Default.

SECTION 14. Expiration or Termination. Subject to the provisions of Section 6 hereof, upon the termination or expiration of this Ground Lease and the Leasehold Estate for any cause, all rights and interests of Lessee, and all persons whomsoever claiming by, through or under Lessee shall immediately cease and terminate, and the Premises, including all buildings, improvements, engines, machinery, generators, boilers, furnaces, elevators, fire escapes, and all lifting, lighting, heating, cooling, refrigerating, air conditioning, ventilating, gas, electric and plumbing apparatus, appliances and fixtures, as well as other fixtures attached to or within the Premises, shall thereafter constitute and belong to and be the absolute property of Lessor or Lessor's successors and assigns, without further act or conveyance, and without liability to make such compensation to Lessee or to anyone whomsoever, and free and discharged from all and every lien, encumbrance, claim and charge of any character created or attempted to be created by Lessee at any time. Subject to the provisions of Section 6 hereof, Lessee agrees on the termination or expiration of this Ground Lease to surrender unto Lessor, all and singular the Premises and its rights and interests in the Leasehold Estate.

SECTION 15. Encumbering the Leasehold. Lessee, and every permitted successor and assign of Lessee, shall have the right, in addition to any other rights granted in this Ground Lease, to encumber its interest in this Ground Lease, under the Indenture, the Assignment or similar security instruments in favor of Trustee to secure payment of the Bonds or obligations under the Indenture upon the condition that all rights so acquired under any Assignment shall be subject to each of the provisions set forth in this Ground Lease and to all rights and interests of Lessor therein. In accordance with the foregoing, Lessor hereby acknowledges Lessee's encumbrance of its interest in this Ground Lease pursuant to the Assignment of Rents and Lease which shall secure payment of the Bonds. Lessor agrees, that anything in this Ground Lease to the contrary notwithstanding, as long as the Indenture, the Assignment or similar security instruments in favor of Trustee are in force and effect, the following provisions shall apply:

(a) Consent to Amendment. There shall be no amendment, change or modification of this Ground Lease by Lessor or Lessee without the prior written consent of the Trustee.

(b) Notices to Trustee. Lessor and Lessee, upon serving the other party with any notice of an Event of Default, failure to comply, or termination, shall simultaneously serve a copy of such notice on the Trustee. If Lessor or Lessee shall serve the other party with a notice of a failure to comply with any term, covenant, condition, or provision hereof, the Trustee shall then have the same period after service of the notice on it as is given to the party which received the notice hereunder to remedy or cause to be remedied such failure, and the party which gave the notice shall accept performances by or at the instigation of any Trustee as if it had been done by the party which received the notice. Any notice required to be given to any Trustee shall be in accordance with Section 16 hereof.

(c) Curative Rights of Trustee. In addition to the rights granted to the Trustee under subsection (b) of this Section, the Trustee shall have an additional period of ninety (90) days to remedy or cause to be remedied any Event of Default of which it shall receive notice.

(d) Assignment. Lessor agrees that, in the event of any enforcement of remedies under the Assignment or the Indenture by the Trustee, either by judicial proceedings, under power of sale or otherwise, all right, title and interest encumbered by the Assignment or the Indenture may, without the consent of Lessor, be assigned to and vested in the Trustee or to such other party as Trustee is entitled to convey such rights and interests, subject and subordinate, however, to the rights, title and interests of Lessor under this Ground Lease.

(e) Agreement Between Lessor and Trustee. Lessor, upon request, shall execute, acknowledge, and deliver to the Trustee an agreement, in form reasonably satisfactory to the Trustee and Lessor, by and among Lessor, Lessee, and the Trustee agreeing to all of the provisions of this Section.

(f) Limitation on Liability of Trustee. Notwithstanding any other provision of this Ground Lease, Lessor agrees that the Trustee shall in no manner or respect whatsoever be (i) liable or responsible for any of Lessee's obligations or covenants under this Ground Lease (nor shall any rights of such Trustee be contingent on the satisfaction of such obligations or covenants), or (ii) required to cure any Event of Default; provided, however, that if such Trustee becomes the owner of the Leasehold Estate created hereunder, then such Trustee shall be responsible and liable for all obligations and covenants accruing during such Trustee's tenure as owner of such Leasehold Estate. Notwithstanding the foregoing, the liability of a Trustee with respect to its obligations under this Ground Lease shall be non-recourse as to such Trustee and limited to its interest in the Leasehold Estate.

SECTION 16. Notices.

(a) All notices, certificates, demands, requests, or other communications hereunder shall be sufficiently given and shall be deemed given when mailed by certified mail, postage prepaid, return receipt requested, or given when dispatched by facsimile transmission, or by personal delivery or overnight courier addressed as follows:

District: Independent School District No. 3,
Tulsa County, Oklahoma
Attention: Dr. Janet Vinson, Superintendent
701 S. Main Street
Broken Arrow, Oklahoma 74012
Tele. No.: (918) 259-5700
Fax No.: (918) 258-0399

Issuer: Tulsa County Industrial Authority
Tulsa County Administration Building
500 S. Denver

Tulsa, Oklahoma 74102
Attn.: Chairman
Tele. No.: (918) 596-5020
Fax No.: (918) 596-4647

Trustee: BOKF, National Association
One Williams Center
Tulsa, Oklahoma 74172
Attention: Christina Hilton
Tele. No.: (918) 588-6728
Fax. No.: (918) 588-6083

(b) Any party hereto may, by notice given to the others, designate any additional or different addresses to which subsequent notices, certificates, demands, requests, or other communications shall be sent.

(c) Notwithstanding anything contained herein to the contrary, any notice required to be given by Lessor or Lessee hereunder shall be deemed to have been given and shall be effective as of the date such notice is received or refused reflected on said notice. All notices, certificates, demands, requests, or other communications made by either party to the other which are required or permitted by the provisions of this Ground Lease shall be in writing.

(d) If Lessor does not intend to renew its contract or agreement with the Financial Advisor for the next fiscal year, Lessor shall deliver written notice to the Financial Advisor, Lessee, and Bond Counsel no less than thirty (30) days before the close of the current fiscal year during which the contract or agreement with the Financial Advisor remains in effect.

SECTION 17. Submission of Matters to Lessor for Approval. Any matter which must be submitted to and consented to or approved in writing by Lessor or Trustee, or any matter which must be submitted to Lessor or Trustee which may become effective if not denied by Lessor, as required under this Ground Lease, shall be submitted to Lessor or Trustee (as applicable) by hand or mailed by United States certified or registered mail return receipt requested, to the address designated for the giving of notice to Lessor and Trustee under Section 16 hereof and shall either be approved or rejected by Lessor and Trustee (as applicable) within thirty (30) days after receipt unless a shorter period of time is expressly stated elsewhere herein. If Lessor or Trustee should fail so to approve or reject within such thirty (30) day period as provided for herein, Lessor's or Trustee's approval shall be assumed to have been unconditionally granted and Lessee shall have the right to proceed on such matter so submitted. Lessor and Trustee (as applicable) shall inform Lessee in writing of its rejection or approval of such submitted matter by hand delivery or United States certified or registered mail, return receipt requested, to the address of Lessee designated for the giving of notice to Lessee in Section 16 hereof. Any review by Lessor of any matter submitted to Lessor is for Lessor's own convenience and purpose only. By undertaking such review, Lessor does not obtain or have any liability to Lessee or any other person, including, without limitation, the insurers and lenders of Lessee.

SECTION 18. **Miscellaneous.**

(a) *No Waiver of Rights.* No failure of Lessor or Lessee to exercise any power given to either party hereunder or to insist upon strict compliance by the other party with its undertakings, duties and obligations hereunder, and no custom or practice of the parties hereto at variance with the provisions hereof shall constitute a waiver of either of Lessor's or Lessee's right to demand exact compliance with the provisions contained in this Ground Lease.

(b) *Rights are Cumulative.* All rights, powers, and privileges conferred herein upon both parties hereto shall be cumulative.

(c) *Provisions are Binding Upon Assigns and are Real Covenants.* It is mutually covenanted, understood and agreed by and between the parties hereto, that each of the provisions of this Ground Lease shall apply to, extend to, be binding upon and inure to the benefit or detriment of not only the parties hereto, but also the legal representatives, successors and assigns of Lessor, Trustee and Lessee hereto, and shall be deemed and treated as real covenants running with the Real Property during the Term. The parties further acknowledge and agree that the Trustee and its successors and assigns shall be deemed third party beneficiaries hereunder. Whenever a reference to the parties hereto is made, such reference shall be deemed to include the legal representatives, successors and assigns of said party, the same as if in each case expressed.

(d) *Applicable Law and Court Proceedings.* This Ground Lease shall be governed, construed, performed and enforced in accordance with the laws of the State (excluding principles of conflict of law). Any suit, action or proceeding against any party arising out of or relating to this Ground Lease, any transaction contemplated thereby, or any judgment entered by any court in respect of any thereof may be brought in State District Court located in Tulsa County, Oklahoma and each party hereby submits to the nonexclusive jurisdiction of such court for the purpose of any such suit, action or proceeding.

(e) *All Genders and Numbers Included.* Whenever the singular or plural number, or masculine, feminine, or neuter gender is used in this Ground Lease, it shall equally apply to, extend to, and include the other.

(f) *Invalidity of Provision or Part Thereof.* In the event any provision, or any portion of any provision of this Ground Lease is held invalid, the other provisions of this Ground Lease and the remaining portion of said provision, shall not be affected thereby and shall continue in full force and effect.

(g) *Time is of the Essence.* All time limits stated in this Ground Lease are of the essence of this Ground Lease.

(h) *Section Captions are to be Disregarded.* The captions of the numbered sections of this Ground Lease are for purposes of identification and convenience only and are to be completely disregarded in construing this Ground Lease.

(i) Entire Agreement; Amendments. This Ground Lease, and the Sublease described herein, constitute the full, complete and entire agreement between and among the parties hereto. No agent, employee, officer, representative or attorney of the parties hereto has authority to make, or has made, any statement, agreement, representation or contemporaneous agreement, oral or written, in connection herewith modifying, adding to or changing the provisions of this Ground Lease. No amendment of this Ground Lease shall be binding unless such amendment shall be in writing, signed by both parties hereto and approved by the Trustee in writing and attached to, incorporated in and by reference made a part of this Ground Lease.

(j) No Partnership or Agency. Nothing in this Ground Lease is intended, or shall in any way be construed, so as to create any form of partnership or agency relationship between the parties. The parties hereby expressly disclaim any intention of any kind to create any partnership or agency relationship between themselves. Nothing in this Ground Lease shall be construed to make either party liable for any of the indebtedness of the other, except as specifically provided herein.

(k) Limitation of Liability. Notwithstanding anything herein to the contrary, the liability of Lessee hereunder (including, but not limited to any indemnity obligations) under this Ground Lease shall be non-recourse as to Lessee and, accordingly, Lessor's sole source of satisfaction of such obligations shall be limited to Lessee's interest in the Premises and Leasehold Estate except in the event of Lessee's intentional misconduct or violation of law as regards the Premises to the extent permitted by applicable law. Lessor shall not seek to obtain payment from any person or entity comprising Lessee or from any assets of Lessee other than those described herein, notwithstanding the survival of any obligation of Lessee beyond the Term. No recourse under or upon any obligation, covenant, or agreement contained in this Ground Lease or for any claim based thereon, or under any judgment obtained against Lessee or by the enforcement of any assessment or penalty or otherwise or by any legal or equitable proceeding by virtue of any constitution, rule of law or equity, or statute or otherwise or under any other circumstances, under or independent hereof, shall be had against any incorporator, director, member, or officer, as such, past, present, or future of Lessee or any incorporator, director, member, or officer of any successor entity, as such, either directly or through Lessee or any successor entity, or otherwise, for the payment of any sum that may be due and unpaid by Lessee under this Ground Lease.

(l) Recordation of Lease. Lessor and Lessee will execute, acknowledge and deliver this Ground Lease, in recordable form, and the said Ground Lease may be recorded in the appropriate records of the Tulsa County, Oklahoma.

(m) Counterparts. This Ground Lease may be executed simultaneously in two or more counterparts, each of which shall be deemed original and all of which, when taken together, shall constitute one in the same document. The signature of any party to any counterpart shall be deemed a signature to, and may be appended to, any other counterpart.

(n) Preservation of Tax Exemption. Lessor shall not take any action with respect to the Premises that would adversely affect the exemption of interest on any Bonds from gross income for federal income tax purposes or would otherwise result in a breach of any representations, conditions, or covenants of Lessee as set forth in the Bond Documents.

(o) No Merger. It is the intent of the parties and they agree that so long as the Assignment, Indenture or any similar security instrument in favor of Trustee to secure payment of the Bonds and the Indenture are in force and effect and unless the Trustee shall otherwise agree in writing, the fee title to the Real Property and the Leasehold Estate in the Real Property shall not merge but shall remain separate and distinct notwithstanding the acquisition of the fee title and the Leasehold Estate to the Real Property by Lessor and/or the acquisition of the Improvements by Lessor pursuant to Section 3(c) of the Sublease.

(p) Holding Over by Lessee. If applicable, Lessee shall not use or remain in possession of the Premises after the termination of this Ground Lease. Any holding over, or continued use or occupancy by Lessee after the termination of this Ground Lease, without the written consent of Lessor and Trustee, shall not constitute a month-to-month tenancy, and all other expenses, obligations and payments in effect for the immediately preceding month of this Ground Lease shall apply to the month-to-month tenancy. There shall be no renewal whatsoever of this Ground Lease by operation of law.

(q) Laws, Rules and Regulations. Lessor and Lessee and their respective officers, agents, employees, contractors, licensees and any other person whom they control or have the right to control, shall comply with all present and future laws, ordinances, orders, directive, rules and regulations of the United States of America, the State of Oklahoma, the County of Tulsa, applicable cities or towns and their respective agencies, departments, authorities and commissions which may either directly or indirectly affect Lessor or Lessee or the operations on or in connections with the Premises.

(r) Force Majeure. Neither party shall be held responsible for losses resulting from its non-performance under this Ground Lease, if fulfillment of any terms or provisions of this Ground Lease are delayed or prevented by any cause not within the control of the party whose performance is interfered with and which said party is unable to prevent by the exercise of reasonable diligence.

(s) Indenture. This Ground Lease shall be subject to all terms and conditions of the Indenture.

Executed as of the date shown on the first page of this Ground Lease.

Exhibits

Exhibit "A" – Legal Description of Real Property

Exhibit "B" – Schedule of Lease Purchase Acquisition Payments for Improvements

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LESSOR:

INDEPENDENT SCHOOL DISTRICT NO. 3,
TULSA COUNTY, OKLAHOMA (BROKEN
ARROW PUBLIC SCHOOLS)

By: _____
President

ATTEST:

Clerk

[SEAL]

LESSEE:

TULSA COUNTY INDUSTRIAL AUTHORITY

By: _____
Chairman of Trustees

ATTEST:

Assistant Secretary of Trustees

[SEAL]

STATE OF OKLAHOMA)
) **SS:**
COUNTY OF TULSA)

This instrument was acknowledged before me on the 13th day of September, 2021, by Steve Allen, President of the Board of Education of Independent School District No. 3, Tulsa County, Oklahoma (Broken Arrow Public Schools), an independent school district organized and existing under the laws of the State of Oklahoma, on behalf of said School District.

Notary Public in and for the State of Oklahoma
My commission expires: _____
My commission number: _____

[SEAL]

STATE OF OKLAHOMA)
) **SS:**
COUNTY OF TULSA)

This instrument was acknowledged before me on the ____ day of _____, 2021, by _____, Chairman of Trustees of the Tulsa County Industrial Authority, a public trust organized and existing under the laws of the State of Oklahoma, on behalf of the trust.

Notary Public in and for the State of Oklahoma
My commission expires: _____
My commission number: _____

[SEAL]

EXHIBIT "A"

Legal Description of Real Property

The Leasehold estate of the Issuer under the Lease in the following described real property situated in Tulsa County, Oklahoma, to wit:

1. A tract situated in Section 1, Township 18 North, Range 14 East, Tulsa County, Oklahoma, described as follows:

The North 1134.28 feet of the East 770 feet of the Northeast Quarter, less the North 50 feet and East 60 feet thereof and less beginning 520 feet West and 50 feet South of the Northeast Corner of the Northeast Quarter, thence East 460 feet South, thence 460 feet Northwest, thence 14.14 feet North, thence 405 feet Northwest, thence 35.36 feet West, thence 405 feet Northwest, thence 28.29 feet to the Point of Beginning, containing 17.359 acres more or less.

2. The East 5 Acres of the West 20 Acres, in the Northeast Quarter, Northwest Quarter, less the North 60 feet thereof for roadway, Section 26, Township 18 North, Range 14 East, containing 4.773 acres more or less.

EXHIBIT "B"
Schedule of Lease Purchase Acquisition Payments for Improvements

DATE	PURCHASE PRICE	NATURE OF IMPROVEMENTS
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EXHIBIT “C”
Improvements

Construct, equip and furnish a new middle school facility on existing Freshman Academy property; construct, equip and furnish multi-purpose activity center/auditorium on High School campus.