

AGENDA
Special Meeting and Public Hearing of
The Trustees of Oklahoma Industries Authority (the “Authority”)
Thursday, December 15, 2022 at 10:00 a.m.
105 N. Hudson Avenue, Suite 101
Oklahoma City, OK

Presiding: Clayton I. Bennett, Chair

The following agenda items may include actions, approvals, disapprovals and voting as desired by the Trustees:

- 2349 Determination of Quorum.
- 2350 Consider and approve Minutes for Authority Meeting held on Monday, April 25, 2022.
- 2351 Report and Receive Financial Statements and Report of Independent Certified Public Accountants, Oklahoma Industries Authority, Oklahoma County – June 30, 2022, prepared by HSPG & Associates, P.C.
- 2352 Approval of Engagement Letter with HSPG & Associates, P.C. for independent audit of the Authority for Fiscal Year ending June 30, 2023, and authorizing the Chair, a Vice-chair or the General Manager to finalize and execute same for and on behalf of the Authority, to include authorization to modify and amend the Engagement Letter to provide for additional services as may become necessary.
- 2353 Consider and Receive Financial Statements for Oklahoma Industries Authority for periods ending September 30, 2022.
- 2354 Consider and approve Amendment No. 1 to the Economic Development Memorandum of Agreement between Oklahoma Industries Authority and the Oklahoma City Economic Development Trust regarding the property owned by the Authority at I-240 and Eastern Avenue in Oklahoma City known as the 577 Acres Property.
- 2355 Consider and approve a Resolution approving the Development Plan submitted by OKC 577, LLC for the development of the property owned by the Authority at I-240 and Eastern Avenue in Oklahoma City known as the 577 Acres Property; and approving and authorizing the execution of the Ground Lease.

- 2356 Consider and approve a Resolution authorizing the General Manager to make application to Oklahoma Water Resources Board (OWRB) for American Rescue Plan Act grant funds in the amount of \$8,000,000 for Project OKC 577 – water and sewer main extensions; and authorizing the General Manager to execute a grant agreement and any additional documents associated with the OWRB Grant Process.
- 2357 Receive and discuss report of General Manager.
- 2358 Adjournment.

**MINUTES OF SPECIAL MEETING
OF THE
OKLAHOMA INDUSTRIES AUTHORITY
MONDAY, APRIL 25, 2022 - 2:00 P.M.
105 N. HUDSON AVENUE, SUITE 101**

PRESENT: Clayton I. Bennett, Chairman
Roy H. Williams
Kirk Humphreys
J.W. Mashburn

ABSENT: Ronald J. Norick

ALSO: Michael D. O’Neal, Williams, Box, Forshee & Bullard
Kenton Tsoodle, Keith Kuhlman, Laurie Barton
and Shira Lucky, The Alliance for Economic Development of OKC
Patrick Hollingsworth, HSPG & Associates

PRESIDING: Chairman, Clayton I. Bennett

The Trustees of Oklahoma Industries Authority (“Authority”) met in the Conference Room at 105 N. Hudson Avenue, Suite 101; Oklahoma City, Oklahoma pursuant to public notice thereof in writing, delivered to the County Clerk of Oklahoma Country. The notice/agenda was posted on Friday, April 22, 2022 at 105 N. Hudson Avenue, Suite 101, Oklahoma City, Oklahoma.

2338 *The Chairman determined there was a quorum and called the meeting to order at 2:00 p.m.*

2339 *Consider and approve Minutes for meetings held on November 3, 2021.*

Mr. Williams moved the approval of the minutes, and upon second by Mr. Humphreys, the vote was as follows:

Upon a vote of the Trustees, the motion carried unanimously to wit: Mr. Bennett, yes; Mr. Williams, yes; Mr. Mashburn, yes; and, Mr. Humphreys, yes.

Minutes Approved

2340 *Resolution electing and appointing officers of the Authority and authorizing its officers to act for and on behalf of the Authority*

Mr. Humphreys moved to approve this Resolution, and upon second by Mr. Williams, the vote was as follows:

Upon a vote of the Trustees, the motion carried unanimously to wit: Mr. Bennett, yes; Mr. Williams, yes; Mr. Mashburn, yes; and, Mr. Humphreys, yes.

Resolution Approved

2341 *Report and Receive Financial Statements and Report of Independent Certified Public Accountants, Oklahoma Industries Authority, Oklahoma County – June 30, 2021*

Presentation of Audit: Presentation made by Patrick Hollingsworth from HSPG & Associates.

Mr. Humphreys moved to accept the fiscal year audit, and upon second by Mr. Mashburn, the vote was as follows:

Upon a vote of the Trustees, the motion carried unanimously to wit: Mr. Bennett, yes; Mr. Williams, yes; Mr. Mashburn, yes; and, Mr. Humphreys, yes.

Motion Approved

2342 *Approval of engagement of HSPG & Associates, P.C. for independent audit of the Authority for Fiscal Year ending June 30, 2022 (“Audit”) with a base fee for services of \$46,500.00, and in furtherance thereof, authorizing the Chair (or in the absence of the Chair, a Vice-Chair) and General Manager, or any one of them (“Officers”), to execute and modify an Engagement Letter for and on behalf of the Authority; and, as determined necessary by the Officers, authorizing the Officers to engage another firm for the Audit and to execute and modify an Engagement Letter in furtherance thereof for and on behalf of the Authority*

Mr. Williams moved to approve Item 2342, and upon second by Mr. Humphreys, the vote was as follows:

Upon a vote of the Trustees, the motion carried unanimously to wit: Mr. Bennett, yes; Mr. Williams, yes; Mr. Mashburn, yes; and, Mr. Humphreys, yes.

Motion Approved

2343 *Consider and Receive Quarterly Financial Statements for Oklahoma Industries Authority for the period ending December 31, 2021 and March 31, 2022.*

Discussion: Ms. Barton made presentation to the board on Quarterly Financial Statements for the period ending December 31, 2021 and March 31, 2022.

Mr. Humphreys moved to accept the financials, and upon second by Mr. Williams, the vote was as follows:

Upon a vote of the Trustees, the motion carried unanimously to wit: Mr. Bennett, yes; Mr. Williams, yes; Mr. Mashburn, yes; and, Mr. Humphreys, yes.

Motion Approved

- 2344 *Consider and Approve annual compensation of \$300,000.00 for services provided to the Authority by The Alliance for Economic Development of Oklahoma City (“Alliance”) for fiscal year ending June 30, 2023, and further authorizing the Chair, Vice-Chair and General Manager, or any one of them, to enter into Agreement(s) for Economic Development Services with the Alliance for and on behalf of the Authority, to include amendment and extension of existing agreements with the Alliance*

Mr. Williams moved to approve Item 2344, and upon second by Mr. Humphreys, the vote was as follows:

Upon a vote of the Trustees, the motion carried unanimously to wit: Mr. Bennett, yes; Mr. Williams, yes; Mr. Mashburn, yes; and, Mr. Humphreys, yes.

Motion Approved

- 2345 *Consider and take action with respect to a Resolution regarding the acquisition and sale of real property interests and actions related to the ownership and use of same in the vicinity of Interstate 240 and S. Air Depot Blvd. in Oklahoma City*

Mr. Humphreys moved to approve this Resolution, and upon second by Mr. Williams, the vote was as follows:

Upon a vote of the Trustees, the motion carried unanimously to wit: Mr. Bennett, yes; Mr. Williams, yes; Mr. Mashburn, yes; and, Mr. Humphreys, yes.

Resolution Approved

- 2346 *Informational Item: Oklahoma County Property Assessed Clean Energy Program (“CPACE”) and role of Authority as third-party administrator of CPACE*

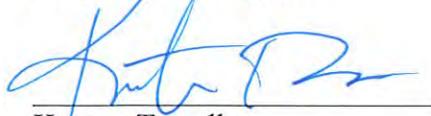
Mr. Kuhlman gave an informational update to the Trustees on the CPACE program.

- 2347 *Receive and discuss report of General Manager, with related actions as desired by the Trustees*

Discussion: Mr. Tsoodle updated the Trustees that the work continues with the expansion of Tinker east of Douglas, working with the City on related ARPA requests. Mr. Kuhlman gave an update on the development at I-240 & Eastern.

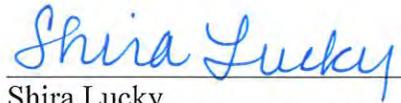
- 2348 There being no further business to come before the Authority, the meeting was adjourned at 2:26 p.m. by the Chairman.

Respectfully submitted:

A handwritten signature in blue ink, appearing to read 'Kenton Tsoodle', written over a horizontal line.

Kenton Tsoodle
General Manager

Recorded by:

A handwritten signature in blue ink, appearing to read 'Shira Lucky', written over a horizontal line.

Shira Lucky
Convening & Outreach Specialist



November 21, 2022

Board of Trustees
Oklahoma Industries Authority
Oklahoma City, Oklahoma

We have audited the financial statements of the Oklahoma Industries Authority (the “Authority”) as of and for the year ended June 30, 2022. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards (and, if applicable, *Government Auditing Standards* and the Uniform Guidance), as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated March 17, 2022. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Authority are described in Note 1 to the financial statements.

On July 1, 2021, the Authority adopted GASB Statement No. 87, Leases, using a retrospective method of adoption to all leases in place and not yet completed at the beginning of the earliest period presented. The purpose of the statement is to increase the usefulness of governments’ financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments’ leasing activities. As a result of adopting this statement, the Authority recorded a lease receivable of \$7,049,727 and a deferred inflow of resources of \$6,998,993 in the statement of net position as of June 30, 2022.

We noted no transactions entered into by the Authority during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management’s knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

The financial statement disclosures are neutral, consistent, and clear.

HSPG & ASSOCIATES, PC

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated November 21, 2022.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Authority's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Authority's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Restriction on Use

This information is intended solely for the information and use of the Board of Trustees and management of the Oklahoma Industries Authority and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

HSPG & Associates, P.C.

OKLAHOMA INDUSTRIES AUTHORITY

FINANCIAL STATEMENTS

JUNE 30, 2022

**TOGETHER WITH
INDEPENDENT AUDITOR'S REPORT**

HSPG
&
ASSOCIATES

ACCOUNTING | TAX | ADVISORY

OKLAHOMA INDUSTRIES AUTHORITY

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June 30, 2022

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INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Oklahoma Industries Authority
Oklahoma City, Oklahoma

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the Oklahoma Industries Authority (the Authority) as of and for the year ended June 30, 2022, and the related notes to the basic financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Authority as of June 30, 2022, and the changes in its financial position and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Authority and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

As discussed in Note 1 to the financial statements, on July 1, 2021, the Authority adopted Governmental Accounting Standards Board (GASB) Statement No. 87, Leases. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern within one year after the date that the financial statements are available to be issued, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not

HSPG & ASSOCIATES, PC

a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Required Supplementary Information

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 21, 2022, on our consideration of the Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

HSPG & Associates, P.C.

November 21, 2022

OKLAHOMA INDUSTRIES AUTHORITY
STATEMENT OF NET POSITION
JUNE 30, 2022

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES

CURRENT ASSETS:

Cash and cash equivalents	\$ 5,238,536
Investments	1,973,155
Lease receivable, current	2,332,874
Prepaid and other	115,094
Accounts receivable	380,210
Total current assets	<u>10,039,869</u>

CAPITAL ASSETS:

Land	6,610,260
Land - restricted	12,339,398
Building - MROTC	28,482,739
	<u>47,432,397</u>
Less accumulated depreciation	<u>(8,327,547)</u>
Total capital assets, net	<u>39,104,850</u>

Lease receivable, less current portion	4,716,853
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TOTAL ASSETS

53,861,572

DEFERRED OUTFLOWS OF RESOURCES

Deferred loss on debt refunding	312,641
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Total assets and deferred outflows of resources

\$ 54,174,213

LIABILITIES AND NET POSITION

CURRENT LIABILITIES:

Accounts payable and accrued liabilities	\$ 29,626
Unearned revenues	380,846
Current portion of loan payable - MROTC project	1,678,445
Total current liabilities	<u>2,088,917</u>

NONCURRENT LIABILITIES:

Loan payable - MROTC project	<u>3,559,362</u>
Total liabilities	<u>5,648,279</u>

DEFERRED INFLOWS OF RESOURCES - Lease

6,998,993

NET POSITION:

Net investment in capital assets	21,215,004
Restricted	12,339,398
Unrestricted	7,972,539
Total net position	<u>41,526,941</u>

Total liabilities, deferred inflows of resources and net position

\$ 54,174,213

The accompanying notes are an integral part of these financial statements.

OKLAHOMA INDUSTRIES AUTHORITY
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
Year Ended June 30, 2022

OPERATING REVENUES

Lease rentals	\$ 37,680
Administrative fees	16,325
MROTC revenue	2,693,004
C-PACE revenue	20,588
Interest income on lease receivable	60,299
Other Revenue	183,382
	<hr/>
Total operating revenues	3,011,278
	<hr/>

OPERATING EXPENSES

Depreciation expense	581,285
Insurance	148,133
Professional services	629,088
Management and trustee fees	2,505
MROTC facility expense	369,123
Interest	467,427
Other	77,693
Repair and maintenance - unit parts	112,485
	<hr/>
Total Operating expenses	2,387,739
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OPERATING INCOME (LOSS)

623,539

NONOPERATING REVENUES (EXPENSES)

Investment interest income	6,236
Unrealized loss on investments	(23,025)
Gain on sale of property	3,995,063
Realized gain on investments	(6,871)
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Total nonoperating revenues (expenses)	3,971,403
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CHANGE IN NET POSITION

4,594,942

NET POSITION, BEGINNING OF YEAR

36,931,999

NET POSITION, END OF YEAR

\$ 41,526,941

The accompanying notes are an integral part of these financial statements.

OKLAHOMA INDUSTRIES AUTHORITY
STATEMENT OF CASH FLOWS
Year Ended June 30, 2022

CASH FLOWS FROM OPERATING ACTIVITIES

Lease rental payment received	\$ 37,680
Administrative fees received	16,325
MROTC lease payments received	2,956,735
Grants and other revenue received	218,129
Operating expenses paid	(1,551,573)
Net cash provided by operating activities	<u>1,677,296</u>

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES

Funds paid back to Oklahoma County for 2021 CARES Act Program	(2,583,414)
Net cash used in noncapital financing activities	<u>(2,583,414)</u>

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

MROTC loan payments	(1,614,293)
Proceeds on disposition of capital assets	5,154,700
Net cash provided by capital and related financing activities	<u>3,540,407</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Purchases of investments	(1,490,724)
Realized loss on investments	(6,871)
Interest received on investments	6,236
Net cash used in investing activities	<u>(1,491,359)</u>

CHANGE IN CASH AND CASH EQUIVALENTS

1,142,930

CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR

4,095,606

CASH AND CASH EQUIVALENTS, END OF YEAR

\$ 5,238,536

(CONTINUED)

OKLAHOMA INDUSTRIES AUTHORITY
STATEMENT OF CASH FLOWS (CONTINUED)
Year Ended June 30, 2022

**RECONCILIATION OF OPERATING INCOME TO NET CASH
PROVIDED BY OPERATING ACTIVITIES**

(CONTINUED)

Operating income	\$	623,539
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation expense		581,285
Amortization of deferred outflows		228,595
Amortization of deferred inflows of resources		(2,332,996)
Decrease in prepaid insurance		19,160
Increase in accounts receivable and other		(144,263)
Decrease in lease receivable		2,316,004
Increase in accounts payable and accrued liabilities		7,126
Increase in unearned revenue		378,846
Net cash provided by operating activities	\$	<u>1,677,296</u>

NONCASH TRANSACTIONS

Unrealized loss on investments	\$	(23,025)
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The accompanying notes are an integral part of these financial statements.

OKLAHOMA INDUSTRIES AUTHORITY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

1. NATURE OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

The Oklahoma Industries Authority (the Authority) is an Oklahoma public trust and an agency of the State of Oklahoma. It was created on December 15, 1966, to promote and encourage the general development of Oklahoma County under the provisions of Title 60, Section 176 of the Oklahoma Statutes, and other applicable statutes and laws. Oklahoma County, Oklahoma (the County) is the beneficiary of this trust and will receive all residual trust funds and assets upon termination of the trust.

The following is a summary of the more significant accounting policies consistently followed in the preparation of the Authority's financial statements.

Operations – The Authority arranges bond and loan financing with the participation of trustee banks to industrial, manufacturing, medical, civic, cultural, and educational enterprises located principally in the County for the purpose of constructing, purchasing, expanding, or otherwise improving the facilities required by such enterprises and also provides economic development services and facilities to support economic development in the County.

The Authority also administers Oklahoma County's Commercial Property Assessed Clean Energy ("C-PACE") program. On November 1, 2021, the Oklahoma County Board of County Commissioners created a pilot program for the Oklahoma County C-PACE program and named the Authority third-party administrator. The program, authorized by the Oklahoma Energy Dependence Act, facilitates private financing between capital providers and commercial property owners for eligible projects located within Oklahoma County. Eligible improvements related to energy efficiently must be made to the property to qualify for C-PACE financing.

Basis of Presentation – The Authority accounts for its operations as an enterprise fund. Enterprise funds are accounted for on the flow of economic resources measurement focus and use the accrual basis of accounting, similar to private business enterprises. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when incurred.

Income Taxes – The Authority is exempt from federal income taxes under Section 115 of the Internal Revenue Code; accordingly, no provision has been made for income taxes.

Capital Assets – Capital assets are valued at historical cost or estimated historical cost. The Authority has chosen the straight-line depreciation method for its capital assets based on the estimated useful lives of the capital assets, which vary between 20 and 50 years.

Cash and Cash Equivalents – The Authority considers all liquid debt instruments purchased with a maturity of three months or less and money market mutual funds to be cash equivalents. At June 30, 2022, cash equivalents consisted primarily of money market accounts with brokers.

Investments and investment income – Investments in negotiable certificates of deposit and U.S. Treasury Notes are carried at fair value. Fair value is determined from quoted market prices. Investment income consists of interest income and the net change for the year in the fair value of the investments carried at fair value.

Unearned Revenue – During the year ended June 30, 2022, the Authority was awarded grants totaling \$378,846 through the Oklahoma Strategic Military Planning Commission, State of Oklahoma Department of Commerce for future projects related to the expansion of Tinker Air Force Base and maintenance of certain facilities. The grant funds have not been received or expended as of June 30, 2022 and are recorded as unearned revenue and accounts receivable at June 30, 2022.

Deferred Outflows of Resources – The Authority reports the consumption of net position that is applicable to a future reporting period as deferred outflows of resources in a separate section of its statement of net position. At June 30, 2022, deferred outflows of resources totaling \$312,641 represents deferred loss on the debt refinancing of the MROTC project loan payable during the year ended June 30, 2020. This amount is amortized over the life of the related loan payable as interest expense.

Accounting for Long-Lived Assets – The Authority reviews long-lived assets for impairment whenever indicators of impairment are present to determine if the carrying amounts exceed the estimated future net cash flows to be realized. Impairment losses are recognized based on the estimated fair value of the asset. No long-lived asset impairments were recorded in 2022.

Net Position – The net position of the Authority is classified in three components:

- **Net Investments in Capital Assets** - Represents capital assets net of accumulated depreciation and reduced by the outstanding balance of debt used to finance the acquisition or construction of those assets.
- **Restricted** - Represents net position that has been restricted by sources external to the Authority. Restricted net position of \$12,339,398 represents land purchased through funds provided by the City of Oklahoma City (the “City”) and held on behalf of the City. When sold or leased to third parties, the Authority is required to remit the net proceeds from sales back to the City, or when leased, assign all leases to the City.
- **Unrestricted** - Residual amount of net position that does not meet the definition of net investment in capital assets or restricted net position.

Classification of Revenues – The Authority has classified its revenues as either operating or nonoperating according to the characteristics of exchange vs. nonexchange transactions.

Use of Estimates – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes; accordingly, actual results could differ from those estimates.

Change in Accounting Principle – On July 1, 2021, the Authority adopted GASB Statement No. 87, *Leases*, using a retrospective method of adoption to all leases in place and not yet completed at the beginning of the earliest period presented. The purpose of the statement is to increase the usefulness of governments’ financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessor is required to recognize a lease receivable and a

deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. See note 7 (Leases).

2. CASH AND CASH EQUIVALENTS AND INVESTMENTS

Cash and Cash Equivalents – Custodial credit risk is the risk that in the event of the failure of a counterparty the Authority will not be able to recover the value of its assets. Deposits are exposed to custodial credit risk if they are uninsured and uncollateralized.

The policy of the Authority is to require all deposits be maintained in accounts that are fully insured or collateralized. As of June 30, 2022, the Authority had bank deposit accounts with financial institutions subject to FDIC coverage which exceeded such coverage by \$254,656. The Authority has not experienced any losses in such accounts and believes that it is not exposed to any significant credit risk. Investments and cash equivalents other than bank deposit accounts are held in trust with a financial institution in which all balances are collateralized by the pledging financial institution's trust department in the name of the financial institution.

Investments – The Authority has adopted the provisions of Oklahoma State Statute Title 62, which limits the types of investment vehicles permitted with a long-term investment discipline. Investments permitted include direct obligations of the U.S. federal government; county, municipal, or school district direct debt obligations; collateralized or insured certificates of deposit; savings accounts; or certificates and other limited investment vehicles as permitted by state law. At June 30, 2022, the Authority had the following investments:

	<u>Fair Value</u>	<u>Fiscal Year Maturity Date</u>	
		<u>2023</u>	<u>2024</u>
US. Treasury Notes	\$ 1,474,995	\$ -	\$ 1,474,995
Certificates of deposit	<u>498,160</u>	<u>498,160</u>	<u>-</u>
Total investments	<u>\$ 1,973,155</u>	<u>\$ 498,160</u>	<u>\$ 1,474,995</u>

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Authority does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Authority will not be able to recover the value of its investments that are in the possession of an outside party. Investment securities are exposed to custodial credit risk if they are uninsured, are not registered in the name of the Authority and are held by a counterparty or the counterparty's trust department but not in the name of the Authority. At June 30, 2022, the Authority does not have any securities that are not registered in the name of the Authority.

3. FAIR VALUE MEASUREMENTS

The Authority categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices for identical assets or liabilities in active markets that can be accessed at the measurement date; Level 2 inputs are inputs, other than quoted prices included within Level 1 that are observable for an asset or liability, either directly or

indirectly; Level 3 inputs are unobservable inputs for an asset or liability. The Authority has the following recurring fair value measurements as of June 30, 2022:

	Fair Value	Fair Value Measurements Using		
		Level 1	Level 2	Level 3
US. Treasury Notes	\$ 1,474,995	\$ 1,474,995	\$ -	\$ -
Certificates of deposit	498,160	-	498,160	-
Total investments	\$ 1,973,155	\$ 1,474,995	\$ 498,160	\$ -

The fair values of U.S. treasury notes are based on quoted market prices in active markets, and are included in the Level 1 fair value hierarchy. Certificates of deposit are valued on the basis of evaluated prices provided by independent pricing services when such processes are believed to reflect the fair market value of such securities and are classified within Level 2 of the fair value hierarchy.

4. CAPITAL ASSETS

Capital assets at June 30, 2022 consisted of the following:

	Beginning Balance	Additions	Disposals	Ending Balance
Land	\$ 6,610,260	\$ -	\$ -	\$ 6,610,260
Land - restricted	12,339,398	-	-	12,339,398
	18,949,658	-	-	18,949,658
Industrial property	2,640,987	-	(2,640,987)	-
Building - MROTC	28,482,739	-	-	28,482,739
	31,123,726	-	(2,640,987)	28,482,739
Less accumulated depreciation	(9,227,613)	(581,285)	1,481,351	(8,327,547)
Depreciable capital assets, net	21,896,113	(581,285)	(1,159,636)	20,155,192
Total capital assets, net	\$ 40,845,771	\$ (581,285)	\$ (1,159,636)	\$ 39,104,850

During the year ended June 30, 2022, the Authority sold the Unit Parts building for \$5,485,000. The property had a net book value of \$1,159,636, with closing costs of \$330,300, for a net gain on sale of property of \$3,995,063.

During the year ended June 30, 2021, the Authority received approximately \$12,300,000 from the Oklahoma City Economic Development Trust (“OCEDT”), to buy certain commercial properties from third parties, which were then exchanged for land of equal value held by the Commissioners of the Land Office of the State of Oklahoma (the “CLO”) referred to as the I-240 and Eastern Tract. The Authority entered into a memorandum of agreement (the “Agreement”) with OCEDT in regard to the I-240 and Eastern Tract (the “Tract”) which requires the Authority to attempt to engage a master developer through a competitive proposal process or otherwise market the Tract for commercial

economic development. Any net proceeds from the sale of the Tract would be remitted to OCEDT. OCEDT retains approval authority over all transactions related to the land. The Tract is recorded as restricted land and restricted net position in the statement of net position due to the restrictions and conditions included in the Agreement.

5. CONDUIT DEBT OBLIGATIONS

From time to time, the Authority has issued revenue bonds to provide financial assistance to private and public sector entities for the acquisition and construction of facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on underlying mortgage loans or leasing arrangements. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private/public sector entity. The Authority is not obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

As of June 30, 2022, there were four series of industrial revenue bonds outstanding with an aggregate principal amount payable of \$28,350,000.

6. LONG-TERM OBLIGATIONS

The following is a summary of long-term debt for the year ended June 30, 2022:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Loan payable:					
MROTC project	\$ 6,852,100	\$ -	\$(1,614,293)	\$ 5,237,807	\$ 1,678,445

Loan Payable - MROTC Project

On June 29, 2020, the Authority entered into a long-term loan payable of \$8,404,691, which retired the remaining principal from the construction of the MROTC facility. The loan carries an interest rate of 3.85% and requires principal and interest payments of \$154,427 occurring monthly until maturity on June 29, 2025.

Future minimum debt service requirements for the loan payable are as follows at June 30, 2022:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 1,678,445	\$ 174,680	\$ 1,853,125
2024	1,744,871	108,254	1,853,125
2025	1,814,491	38,635	1,853,126
	<u>\$ 5,237,807</u>	<u>\$ 321,569</u>	<u>\$ 5,559,376</u>

7. LEASES

In May 2015, the Authority entered into a real estate purchase contract with the County, a related party, to purchase the land located at Southeast 59th Street and Air Depot Road in Oklahoma City, Oklahoma, at a cost of \$1,348,135. The Authority purchased the land with the intent to lease the property to Boeing for the purpose of expanding Boeing's operations. A lease agreement with Boeing was entered into on June 1, 2015, for a 15-year term and base rent of \$1 per year with the option for Boeing to extend the lease or to purchase the property at the end of the lease term for a base price of \$630,000, which increases by 2% each year during the lease term.

Effective June 30, 2020, in connection with the restructuring of the MROTC project loan, the Authority directly entered into a new lease agreement with the United States Air Force (USAF) for the MROTC facility. This lease replaced an existing lease between the United States Air Force and a wholly owned subsidiary of the Authority. The original lease term was for one year, terminating on June 29, 2021, with the first of four additional one-year renewal periods executed extending the lease by mutual agreement through June 29, 2025. Additional renewals are available by providing 30 days' advance notice. Included in the lease is an option for the lessee to acquire the leased premises at the fair market valuation of the premises as determined by an appraisal. Payments of \$198,025 are required monthly for a total of \$2,376,303 to be paid annually. In addition, the Authority agrees to provide security for the premises for an additional \$30,000 per month for a total of \$360,000 per year.

As required under current accounting pronouncements, a lease receivable and corresponding deferred inflow of resources for the MROTC facility lease agreement are recorded in the statement of net position totaling \$7,049,727 and 6,998,993, respectively at June 30, 2022. The amounts were initially calculated based on the present value of lease payments expected to be received during the lease term using a discount rate of 0.726% as of the beginning of the lease. Payments are fixed at \$198,025 monthly through the final available extension through June 29, 2025. The Authority has recognized interest income on the lease receivable of \$60,299 and rental income of approximately \$2,333,000 for the period ended June 30, 2022. Rental income is based on the straight line amortization of the initial present value of lease payments over the lease term.

Future payments of principal and interest on the lease receivable are as follows:

	<u>Principal</u>	<u>Interest</u>
2023	\$ 2,332,874	\$ 43,429
2024	2,349,868	26,435
2025	<u>2,366,985</u>	<u>9,318</u>
	<u>\$ 7,049,727</u>	<u>\$ 79,182</u>

8. RELATED PARTY TRANSACTIONS

Management services for the Authority are provided by the Alliance for the Economic Development of Oklahoma City, Inc., a related party. Total compensation provided under this arrangement was \$300,000 for the year ended June 30, 2022 and is included in professional services in the accompanying statement of revenues, expenses, and changes in net position.

An organization that benefits the County provides economic development services to the Authority. The Authority incurred expenses related to these services totaling \$48,000 which are included in other expenses in the statement of revenues, expenses, and changes in net position.

9. COMMITMENTS AND CONTINGENCIES

From time to time, the Authority is engaged in lawsuits either as plaintiff or defendant that arise in the conduct of its business, which, in the opinion of management and based upon advice of counsel, would not have a material effect on the Authority's financial position or results of operations.

10. SUBSEQUENT EVENTS

Subsequent events have been evaluated through November 21, 2022, which is the date the financial statements were available to be issued. No events required disclosure.

* * * * *



INDEPENDENT AUDITOR’S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Board of Trustees
Oklahoma Industries Authority
Oklahoma City, Oklahoma

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Oklahoma Industries Authority (the “Authority”), which comprise the statement of net position as of June 30, 2022, and the related statements of revenues, expenses, and changes in net position and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated November 21, 2022, which contained an *Emphasis of Matter* paragraph regarding adoption of a new accounting standard.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority’s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority’s internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority’s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our

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tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

HSPG & Associates, P.C.

November 21, 2022



December 15, 2022

To the Board of Trustees and Management
Oklahoma Industries Authority

We are pleased to confirm our understanding of the services we are to provide Oklahoma Industries Authority (“OIA”) for the year ended June 30, 2023.

Audit Scope and Objectives

We will audit the financial statements of OIA, which comprise the statement of net position as of June 30, 2023, and the related statements of revenues, expenses, and changes in net position, and cash flows for the year then ended, and the related notes to the financial statements, which collectively comprise the basic financial statements. Accounting standards generally accepted in the United States of America (GAAP) provide for certain required supplementary information (RSI), such as management’s discussion and analysis (MD&A), to supplement OIA’s basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to OIA’s RSI in accordance with auditing standards generally accepted in the United States of America (GAAS). These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The following RSI is required by GAAP and will be subjected to certain limited procedures, but will not be audited:

1. Management’s Discussion and Analysis

Auditor’s Responsibilities for the Audit of the Financial Statements

We will conduct our audit in accordance with GAAS and the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and will include tests of your accounting records of OIA and other procedures we consider necessary to enable us to express an opinion. As part of an audit in accordance with GAAS and *Government Auditing Standards*, we exercise professional judgment and maintain professional skepticism throughout the audit.

We will evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management. We will also evaluate the overall presentation of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to OIA or to acts by

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management or employees acting on behalf of OIA. Because the determination of waste and abuse is subjective, *Government Auditing Standards* do not expect auditors to perform specific procedures to detect waste or abuse in financial audits nor do they expect auditors to provide reasonable assurance of detecting waste or abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is an unavoidable risk that some material misstatements may not be detected by us, even though the audit is properly planned and performed in accordance with GAAS and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management of any material errors, fraudulent financial reporting, or misappropriation of assets that comes to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

We will also conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the OIA's ability to continue as a going concern for a reasonable period of time.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts and direct confirmation of receivables and certain assets and liabilities by correspondence with selected customers, creditors, and financial institutions. We will also request written representations from your attorneys as part of the engagement.

We have identified the following significant risk(s) of material misstatement as part of our audit planning:

- Management override of controls
- Revenue recognition

Audit Procedures—Internal Control

We will obtain an understanding of OIA and its environment, including internal control relevant to the audit, sufficient to identify and assess the risks of material misstatement of the financial statements, whether due to error or fraud, and to design and perform audit procedures responsive to those risks and obtain evidence that is sufficient and appropriate to provide a basis for our opinion. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentation, or the override of internal control. An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. Accordingly, we will express no such opinion. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards and *Government Auditing Standards*.

Audit Procedures—Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of OIA's compliance with the provisions of applicable laws, regulations, contracts, agreements, and grants. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

Other Services

We will also assist in preparing the financial statements and related notes of OIA in conformity with accounting principles generally accepted in the United States of America based on information provided by you. These nonaudit services do not constitute an audit under Government Auditing Standards and such services will not be conducted in accordance with Government Auditing Standards. We will perform the services in accordance with applicable professional standards. The other services are limited to the financial statement services previously defined. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

Responsibilities of Management for the Financial Statements

Our audit will be conducted on the basis that you acknowledge and understand your responsibility for designing, implementing, establishing, and maintaining effective internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, and for evaluating and monitoring ongoing activities to help ensure that appropriate goals and objectives are met; following laws and regulations; and ensuring that management and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are also responsible for the selection and application of accounting principles, for the preparation and fair presentation of the financial statements and all accompanying information in conformity with accounting principles generally accepted in the United States of America, and for compliance with applicable laws and regulations and the provisions of contracts and grant agreements.

Management is responsible for making drafts of financial statements, all financial records, and related information available to us and for the accuracy and completeness of that information (including information from outside of the general and subsidiary ledgers). You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, identification of all related parties and all related-party relationships and transactions, and other matters; (2) additional information that we may request for the purpose of the audit; and (3) unrestricted access to persons within OIA from whom we determine it necessary to obtain audit evidence. At the conclusion of our audit, we will require certain written representations from you about your responsibilities for the financial statements; compliance with laws, regulations, contracts, and grant agreements; and other responsibilities required by GAAS and *Government Auditing Standards*.

Your responsibilities include adjusting the financial statements to correct material misstatements and for confirming to us in the written representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements of each opinion unit taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting OIA involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting OIA received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that OIA complies with applicable laws, regulations, contracts, agreements, and grants and for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, or contracts or grant agreements that we report.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying and providing report copies of previous financial audits, attestation engagements, performance audits or other studies related to the objectives discussed in the Audit Scope and Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or other studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions, for the report, and for the timing and format for providing that information.

You agree to assume all management responsibilities relating to the financial statements and related notes and any other nonaudit services we provide. You will be required to acknowledge in the management representation letter our assistance with preparation of the financial statements and related notes and that you have reviewed and approved the financial statements and related notes prior to their issuance and have accepted responsibility for them. Further, you agree to oversee the nonaudit services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them.

Engagement Administration, Fees, and Other

We understand that your employees will prepare all cash, accounts receivable, or other confirmations we request and will locate any documents selected by us for testing.

We will provide copies of our reports to OIA; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

The audit documentation for this engagement is the property of HSPG & Associates and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to a federal agency providing direct or indirect funding or the U.S. Government Accountability Office for the purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of HSPG & Associates personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend or decide to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of five years after the report release date or for any additional period requested by an outside regulator. If we are aware that a federal awarding agency or auditee is contesting an audit finding, we will contact the party(ies) contesting the

audit finding for guidance prior to destroying the audit documentation.

Patrick Hollingsworth is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them.

Our fee for services will be \$32,500. This includes any miscellaneous charges, such as travel, meals, and postage. Our invoices for these fees will be rendered as work progresses and are payable on presentation. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

Reporting

We will issue a written report upon completion of our audit of OIA's financial statements. Our report will be addressed to the Board of Trustees of OIA. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinion, add a separate section, or add an emphasis-of-matter or other-matter paragraph to our auditor's report, or if necessary, withdraw from this engagement. If our opinion is other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed an opinion, we may decline to express an opinion or issue reports, or we may withdraw from this engagement.

We will also provide a report (that does not include an opinion) on internal control related to the financial statements and compliance with the provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statements as required by *Government Auditing Standards*. The report on internal control and on compliance and other matters will state (1) that the purpose of the report is solely to describe the scope of testing of internal control and compliance, and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control on compliance, and (2) that the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. The report will also state that the report is not suitable for any other purpose. If during our audit we become aware that OIA is subject to an audit requirement that is not encompassed in the terms of this engagement, we will communicate to management and those charged with governance that an audit in accordance with U.S. generally accepted auditing standards and the standards for financial audits contained in *Government Auditing Standards* may not satisfy the relevant legal, regulatory, or contractual requirements.

We appreciate the opportunity to be of service to OIA and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign a copy of this letter and return it to us.

Sincerely,

HSPG & Associates, P.C.

RESPONSE:

This letter correctly sets forth the understanding of Oklahoma Industries Authority.

Management signature: _____

Title: _____

Date: _____

Governance signature: _____

Title: _____

Date: _____

Financial Statements
of
Oklahoma Industries Authority
For the Period Ended September 30, 2022

Oklahoma Industries Authority
Statement of Net Position
September 30, 2022

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES

Assets

Current Assets

Cash and Equivalents	\$	5,105,645	
Accounts Receivable		408,575	
Accrued Int. Receivable		1,364	
Prepaid Insurance		83,924	
Note Receivable - Progress OKC, net of allowance		-	
Total Current Assets		-	\$ 5,599,508

Investments - Fixed Income
Lease Receivable - MROTC

2,193,893
7,049,727

Fixed Assets

Property - 4725 SE 59th		160,820	
Thomas Estell Land		401,263	
MROTC - Land		697,000	
MROTC - Building & Tow-way		28,482,739	
SW 49th - Symes-FY21		303,630	
Boeing Land-FY15		1,362,845	
SE 44th - CLO-40A-FY21		830,741	
9400 SE 49th Delp-FY21		403,961	
Douglas East 44-59 FY21		2,450,000	
I-240/Eastern - CLO swap FY21		12,339,398	
Accumulated Depreciation		(8,469,961)	
Total Fixed Assets		(8,469,961)	38,962,437

Total Assets 53,805,565

Deferred Outflows of Resources 254,714

Total Assets and Deferred Outflows of Resources \$ 54,060,279

LIABILITIES, DEFERRED INFLOW OF RESOURCES, AND NET POSITION

Liabilities

Accounts Payable	\$	22,500	
Unearned Rent		2,000	
Deferred Grant Revenue - Tinker		378,846	
Earnest Money Deposit		50,000	
Note Payable - MROTC		4,824,692	
Total Liabilities		4,824,692	\$ 5,278,038

Deferred Inflows of Resources - MROTC 6,998,993

Net Position

Project Fund - Begin Balance		41,526,942	
Change in Net Position		256,306	
Total Net Position		256,306	41,783,248

Total Liabilities, Deferred Inflow of Resources, and Net Position \$ 54,060,279

Oklahoma Industries Authority
Income Statement
For the Three Months Ending September 30, 2022

	Current Period	
Revenues		
Lease Revenue	\$ 14,750	1.97
Administrative Fees	10,828	1.45
Interest Income	16,572	2.22
Asset Change in Value	(22,753)	(3.04)
MROTC Revenue	691,677	92.48
C-PACE Program Fees	36,810	4.92
Total Revenues	747,883	100.00
Operating Expenses		
Contract Services	75,000	10.03
Bank Trustee Fees - PF	1,250	0.17
Bank Fees	2	0.00
Legal Expense	13,388	1.79
Closing Fees	-	0.00
Repair & Maintenance	1,250	0.17
Professional Services	16,290	2.18
Advertising	216	0.03
Insurance - PF	36,006	4.81
Office Expense - PF	187	0.02
Dues & Subscriptions	2,211	0.30
Depreciation Expense - MROTC	142,414	19.04
Interest Expense	50,165	6.71
MROTC Facility Expense	83,272	11.13
Total Operating Expenses	421,650	56.38
Other Revenues/Expenses		
Amortization of Deferred Outflows of Resources	57,928	7.75
Chamber of Commerce	12,000	1.60
Total Other Revenues/Expenses	69,928	9.35
 Change in Net Assets	 \$ 256,306	 34.27

NOTE FOR SEPTEMBER 30, 2022 FINANCIAL STATEMENTS

The Governmental Accounting Standards Board issued a new statement regarding accounting for long-term leases that went into effect for fiscal years beginning after June 15, 2021. The foundational principal of the new statement (GASB Statement No. 87 – Leases) is that a lease finances the right to use an underlying asset. Lessors are therefore required to recognize a lease receivable and a deferred inflow of resources representing the present value of future lease payments. The lease receivable will be reduced as lease payments are received, and the deferred inflow of resources will be amortized on a straight-line basis over the life of the lease.

The MROTC Lease commencing on June 30, 2020, between Oklahoma Industries Authority and the United States of America (Air Force) created a lease receivable and deferred inflow of resources valued at \$11,664,987. Under GASB No. 87 guidelines annual lease payments of \$2,376,303 will be split between lease income and interest income according to a five year amortization schedule. Deferred inflow of resources will be amortized at \$2,332,997 per year for five years.

**Oklahoma Industries Authority
General Ledger
For the Period From Jul 1, 2022 to Sep 30, 2022**

Account Description	Date	Trans Description	Debit Amt	Credit Amt	Balance
Cash - BOK Admin 7078	7/1/22	Beginning Balance			18,515.74
Cash - BOK Admin 7078	9/30/22	Service Charge		2.00	
Cash - BOK Admin 7078		Change		2.00	-2.00
	9/30/22	Ending Balance			18,513.74
Cash-BancFirst 8789	7/1/22	Beginning Balance			504,655.99
Cash-BancFirst 8789	7/22/22	72 ABW/CER	235,626.09		
Cash-BancFirst 8789	7/29/22	BancFirst		154,427.13	
Cash-BancFirst 8789	8/9/22	72 ABW/CER	228,025.25		
Cash-BancFirst 8789	8/29/22	BancFirst		154,427.13	
Cash-BancFirst 8789	9/12/22	72 ABW/CER	228,025.25		
Cash-BancFirst 8789	9/29/22	BancFirst		154,427.13	
Cash-BancFirst 8789		Change	691,676.59	463,281.39	228,395.20
	9/30/22	Ending Balance			733,051.19
Principal Cash - Rev Fund 1017	7/1/22	Beginning Balance			-1,396,974.85
Principal Cash - Rev Fund 1017	7/6/22	The Alliance for Economic Dev.		25,000.00	
Principal Cash - Rev Fund 1017	7/7/22	OKC 577, LLC	50,000.00		
Principal Cash - Rev Fund 1017	7/12/22	Insurica Insurance		4,835.72	
Principal Cash - Rev Fund 1017	7/12/22	Allied Universal Security Serv		7,110.04	
Principal Cash - Rev Fund 1017	7/19/22	Allied Universal Security Serv		6,760.40	
Principal Cash - Rev Fund 1017	7/19/22	State Chamber of Oklahoma		2,211.00	
Principal Cash - Rev Fund 1017	7/26/22	YMCA of Greater OKC	828.13		
Principal Cash - Rev Fund 1017	7/26/22	Ledet's Welding	2,000.00		
Principal Cash - Rev Fund 1017	7/29/22	Allied Universal Security Serv		6,911.04	
Principal Cash - Rev Fund 1017	7/31/22	Purchase/Sell BOK Cash Fund I 81-4051-01-7		882.16	
Principal Cash - Rev Fund 1017	8/1/22	Nuveen Green Capital	7,081.25		
Principal Cash - Rev Fund 1017	8/1/22	Service Charge		1,250.00	
Principal Cash - Rev Fund 1017	8/2/22	Cox Communications, Inc.		62.20	
Principal Cash - Rev Fund 1017	8/2/22	Allied Universal Security Serv		6,911.04	
Principal Cash - Rev Fund 1017	8/2/22	The Alliance for Economic Dev.		25,000.00	
Principal Cash - Rev Fund 1017	8/8/22	Tyler Outdoor Advertising, LLC	8,750.00		
Principal Cash - Rev Fund 1017	8/9/22	Allied Universal Security Serv		7,110.04	
Principal Cash - Rev Fund 1017	8/16/22	Anglin Public Relations, Inc.		216.00	
Principal Cash - Rev Fund 1017	8/16/22	Bill's Hauling, LLC		700.00	
Principal Cash - Rev Fund 1017	8/16/22	Bill's Hauling, LLC		550.00	
Principal Cash - Rev Fund 1017	8/16/22	Allied Universal Security Serv		6,911.04	
Principal Cash - Rev Fund 1017	8/16/22	Slipstream Group Inc.		5,865.00	
Principal Cash - Rev Fund 1017	8/19/22	OK Medical Research Foundation	10,000.00		
Principal Cash - Rev Fund 1017	8/24/22	Allied Universal Security Serv		6,908.15	

**Oklahoma Industries Authority
General Ledger
For the Period From Jul 1, 2022 to Sep 30, 2022**

Account Description	Date	Trans Description	Debit Amt	Credit Amt	Balance
Principal Cash - Rev Fund 1017	8/24/22	Cox Communications, Inc.		62.20	
Principal Cash - Rev Fund 1017	8/29/22	Williams, Box, Forshee & Bulla		1,590.00	
Principal Cash - Rev Fund 1017	8/29/22	Williams, Box, Forshee & Bulla		4,850.00	
Principal Cash - Rev Fund 1017	8/29/22	Crawford & Associates, P.C.		340.00	
Principal Cash - Rev Fund 1017	8/29/22	Crawford & Associates, P.C.		85.00	
Principal Cash - Rev Fund 1017	8/29/22	Allied Universal Security Serv		6,911.04	
Principal Cash - Rev Fund 1017	8/29/22	Williams, Box, Forshee & Bulla		6,905.50	
Principal Cash - Rev Fund 1017	8/29/22	Williams, Box, Forshee & Bulla		220.00	
Principal Cash - Rev Fund 1017	8/31/22	Purchase/Sell BOK Cash Fund I 81-4051-01-7	47,905.11		
Principal Cash - Rev Fund 1017	9/1/22	Ledet's Welding	2,000.00		
Principal Cash - Rev Fund 1017	9/7/22	Allied Universal Security Serv		7,110.04	
Principal Cash - Rev Fund 1017	9/7/22	The Alliance for Economic Dev.		25,000.00	
Principal Cash - Rev Fund 1017	9/12/22	Allied Universal Security Serv		6,911.04	
Principal Cash - Rev Fund 1017	9/19/22	Williams, Box, Forshee & Bulla		1,410.00	
Principal Cash - Rev Fund 1017	9/19/22	Williams, Box, Forshee & Bulla		870.00	
Principal Cash - Rev Fund 1017	9/19/22	Williams, Box, Forshee & Bulla		1,487.50	
Principal Cash - Rev Fund 1017	9/19/22	Williams, Box, Forshee & Bulla		3,180.00	
Principal Cash - Rev Fund 1017	9/19/22	Allied Universal Security Serv		6,806.80	
Principal Cash - Rev Fund 1017	9/19/22	HSPG & Associates, PC		10,000.00	
Principal Cash - Rev Fund 1017	9/21/22	Ledet's Welding	2,000.00		
Principal Cash - Rev Fund 1017	9/26/22	Cox Communications, Inc.		62.20	
Principal Cash - Rev Fund 1017	9/26/22	Allied Universal Security Serv		6,911.04	
Principal Cash - Rev Fund 1017	9/30/22	Purchase/Sell BOK Cash Fund I 81-4051-01-7	63,456.42		
Principal Cash - Rev Fund 1017		Change	194,020.91	205,906.19	-11,885.28
	9/30/22	Ending Balance			-1,408,860.13
Principal Cash - Summit Mach.	7/1/22	Beginning Balance			
Principal Cash - Summit Mach.	7/31/22	Purchase/Sell BOK Cash Fund I 81-4051-03-3		58.67	
Principal Cash - Summit Mach.	7/31/22	Transferto/from princ&income 81-4051-03-3	58.67		
Principal Cash - Summit Mach.	8/5/22	Transferto/from princ&income 81-4051-03-3	101.98		
Principal Cash - Summit Mach.	8/31/22	Purchase/Sell BOK Cash Fund I 81-4051-03-3		101.98	
Principal Cash - Summit Mach.	9/2/22	Transferto/from princ&income 81-4051-03-3	157.63		
Principal Cash - Summit Mach.	9/30/22	Purchase/Sell BOK Cash Fund I 81-4051-03-3		157.63	
Principal Cash - Summit Mach.		Change	318.28	318.28	
Principal Cash-CARES Grants	7/1/22	Beginning Balance			-393.61
Principal Cash-CARES Grants	7/31/22	Record principal cash purchase/sale of BOK Short-Term Cash Fund I		10.64	
Principal Cash-CARES Grants	8/31/22	Record principal cash purchase/sale of BOK Short-Term Cash Fund I		18.49	
Principal Cash-CARES Grants	9/1/22	Record principal cash purchase/sale of BOK Short-Term Cash Fund I		28.58	
Principal Cash-CARES Grants		Change		57.71	-57.71

**Oklahoma Industries Authority
General Ledger
For the Period From Jul 1, 2022 to Sep 30, 2022**

Account Description	Date	Trans Description	Debit Amt	Credit Amt	Balance
	9/30/22	Ending Balance			-451.32
Principal Cash - Sp Projects	7/1/22	Beginning Balance			
Principal Cash - Sp Projects	7/5/22	Inc to Prin Transfer 07/05/22	0.59		
Principal Cash - Sp Projects	7/31/22	Record purchases/sales between principal cash and short-term cash - Special Projects		0.59	
Principal Cash - Sp Projects	8/5/22	Inc to Prin Transfer 08/05/22	1.02		
Principal Cash - Sp Projects	8/31/22	Record purchases/sales between principal cash and short-term cash - Special Projects		1.02	
Principal Cash - Sp Projects	9/2/22	Inc to Prin Transfer 09/02/22	1.58		
Principal Cash - Sp Projects	9/30/22	Record purchases/sales between principal cash and short-term cash - Special Projects		1.58	
Principal Cash - Sp Projects		Change	3.19	3.19	
Income Cash - Revenue Fund	7/1/22	Beginning Balance			1,396,974.85
Income Cash - Revenue Fund	7/1/22	Interest to 6/30/22	882.23		
Income Cash - Revenue Fund	8/1/22	Interest to 7/31/22	1,523.35		
Income Cash - Revenue Fund	8/31/22	Int to 8/31/22 on US Treas Note #9128282D1, \$500,000, 1.375% M	3,437.50		
Income Cash - Revenue Fund	8/31/22	Int to 8/31/22 on US Treas Note #91282CEA5 \$500,000, 1.5% Mat	3,750.00		
Income Cash - Revenue Fund	9/1/22	Interest to 8/31/22	2,292.20		
Income Cash - Revenue Fund		Change	11,885.28		11,885.28
	9/30/22	Ending Balance			1,408,860.13
Income Cash - Summit Machine	7/1/22	Beginning Balance			
Income Cash - Summit Machine	7/1/22	Interest to 6/30/22	58.67		
Income Cash - Summit Machine	7/31/22	Transferto/from princ&income 81-4051-03-3		58.67	
Income Cash - Summit Machine	8/1/22	Interest to 7/31/22	101.98		
Income Cash - Summit Machine	8/5/22	Transferto/from princ&income 81-4051-03-3		101.98	
Income Cash - Summit Machine	9/1/22	Interest to 8/31/22	157.63		
Income Cash - Summit Machine	9/2/22	Transferto/from princ&income 81-4051-03-3		157.63	
Income Cash - Summit Machine		Change	318.28	318.28	
Income Cash - CARES Grants	7/1/22	Beginning Balance			393.61
Income Cash - CARES Grants	7/1/22	Record Interest Income 7/22	10.64		
Income Cash - CARES Grants	8/1/22	Record Interest Income 8/22	18.49		
Income Cash - CARES Grants	9/1/22	Record Interest Income 9/22	28.58		
Income Cash - CARES Grants		Change	57.71		57.71
	9/30/22	Ending Balance			451.32
Income Cash - Special Projects	7/1/22	Beginning Balance			
Income Cash - Special Projects	7/1/22	Interest to 6/30/22	0.59		
Income Cash - Special Projects	7/5/22	Inc to Prin Transfer 07/05/22		0.59	
Income Cash - Special Projects	8/1/22	Interest to 7/31/22	1.02		
Income Cash - Special Projects	8/5/22	Inc to Prin Transfer 08/05/22		1.02	
Income Cash - Special Projects	9/1/22	Interest to 8/31/22	1.58		
Income Cash - Special Projects	9/2/22	Inc to Prin Transfer 09/02/22		1.58	

Oklahoma Industries Authority
General Ledger
For the Period From Jul 1, 2022 to Sep 30, 2022

Account Description	Date	Trans Description	Debit Amt	Credit Amt	Balance
Income Cash - Special Projects		Change	3.19	3.19	
Short Term Cash - Summit Machi	7/1/22	Beginning Balance			99,676.69
Short Term Cash - Summit Machi	7/31/22	Purchase/Sell BOK Cash Fund I 81-4051-03-3	58.67		
Short Term Cash - Summit Machi	8/31/22	Purchase/Sell BOK Cash Fund I 81-4051-03-3	101.98		
Short Term Cash - Summit Machi	9/30/22	Purchase/Sell BOK Cash Fund I 81-4051-03-3	157.63		
Short Term Cash - Summit Machi		Change	318.28		318.28
	9/30/22	Ending Balance			99,994.97
Short Term Cash-CARES Grant	7/1/22	Beginning Balance			18,074.86
Short Term Cash-CARES Grant	7/31/22	Record principal cash purchase/sale of BOK Short-Term Cash Fund	10.64		
Short Term Cash-CARES Grant	8/31/22	Record principal cash purchase/sale of BOK Short-Term Cash Fund	18.49		
Short Term Cash-CARES Grant	9/1/22	Record principal cash purchase/sale of BOK Short-Term Cash Fund	28.58		
Short Term Cash-CARES Grant		Change	57.71		57.71
	9/30/22	Ending Balance			18,132.57
Short-Term Cash - Special Proj	7/1/22	Beginning Balance			1,000.70
Short-Term Cash - Special Proj	7/31/22	Record purchases/sales between principal cash and short-term cash -	0.59		
Short-Term Cash - Special Proj	8/31/22	Record purchases/sales between principal cash and short-term cash -	1.02		
Short-Term Cash - Special Proj	9/30/22	Record purchases/sales between principal cash and short-term cash -	1.58		
Short-Term Cash - Special Proj		Change	3.19		3.19
	9/30/22	Ending Balance			1,003.89
Fixed Income - Revenue Fund	7/1/22	Beginning Balance			1,474,995.00
Fixed Income - Revenue Fund	7/1/22	Adjust market value of fixed income investments 81-4051-01-7	1,730.00		
Fixed Income - Revenue Fund	8/31/22	Adjust market value of fixed income investments 81-4051-01-7		9,180.00	
Fixed Income - Revenue Fund	9/30/22	Adjust market value of fixed income investments 81-4051-01-7		13,505.00	
Fixed Income - Revenue Fund		Change	1,730.00	22,685.00	-20,955.00
	9/30/22	Ending Balance			1,454,040.00
Fixed Income - Summit Mac Prin	7/1/22	Beginning Balance			248,100.00
Fixed Income - Summit Mac Prin	7/31/22	Adjust market value of fixed income investments 81-4051-03-3		17.50	
Fixed Income - Summit Mac Prin	8/31/22	Adjust market value of fixed income investments 81-4051-03-3	467.50		
Fixed Income - Summit Mac Prin	9/30/22	Adjust market value of fixed income investments 81-4051-03-3	230.00		
Fixed Income - Summit Mac Prin		Change	697.50	17.50	680.00
	9/30/22	Ending Balance			248,780.00
Short Term Cash - Revenue Fund	7/1/22	Beginning Balance			3,948,549.20
Short Term Cash - Revenue Fund	7/1/22	Adjust market value of short term cash investments 81-4051-01-7	1,125.00		
Short Term Cash - Revenue Fund	7/31/22	Purchase/Sell BOK Cash Fund I 81-4051-01-7	882.16		
Short Term Cash - Revenue Fund	8/31/22	Purchase/Sell BOK Cash Fund I 81-4051-01-7		47,905.11	
Short Term Cash - Revenue Fund	8/31/22	Adjust market value of short term cash investments 81-4051-01-7	3,370.00		
Short Term Cash - Revenue Fund	9/30/22	Purchase/Sell BOK Cash Fund I 81-4051-01-7		63,456.42	
Short Term Cash - Revenue Fund	9/30/22	Adjust market value of short term cash investments 81-4051-01-7	2,015.00		

**Oklahoma Industries Authority
General Ledger
For the Period From Jul 1, 2022 to Sep 30, 2022**

Account Description	Date	Trans Description	Debit Amt	Credit Amt	Balance
Short Term Cash - Revenue Fund		Change	7,392.16	111,361.53	-103,969.37
	9/30/22	Ending Balance			3,844,579.83
Accrued Int. Receivable-PF	7/1/22	Beginning Balance			1,364.04
	9/30/22	Ending Balance			1,364.04
Accounts Receivable	7/1/22	Beginning Balance			378,846.33
Accounts Receivable	7/1/22	72 ABW/CER	235,626.09		
Accounts Receivable	7/1/22	OK Medical Research Foundation	10,000.00		
Accounts Receivable	7/1/22	YMCA of Greater OKC	828.13		
Accounts Receivable	7/1/22	OKC 577, LLC	50,000.00		
Accounts Receivable	7/7/22	OKC 577, LLC - Invoice: 1040		50,000.00	
Accounts Receivable	7/13/22	Nuveen Green Capital	7,081.25		
Accounts Receivable	7/22/22	72 ABW/CER - Invoice: 1037		235,626.09	
Accounts Receivable	7/26/22	YMCA of Greater OKC - Invoice: 1039		828.13	
Accounts Receivable	8/1/22	72 ABW/CER	228,025.25		
Accounts Receivable	8/1/22	Nuveen Green Capital - Invoice: 1041		7,081.25	
Accounts Receivable	8/9/22	72 ABW/CER - Invoice: 1043		228,025.25	
Accounts Receivable	8/19/22	OK Medical Research Foundation - Invoice: 1038		10,000.00	
Accounts Receivable	9/1/22	72 ABW/CER	228,025.25		
Accounts Receivable	9/12/22	72 ABW/CER - Invoice: 1045		228,025.25	
Accounts Receivable	9/16/22	Nuveen Green Capital	29,728.31		
Accounts Receivable		Change	789,314.28	759,585.97	29,728.31
	9/30/22	Ending Balance			408,574.64
Prepaid Insurance	7/1/22	Beginning Balance			115,094.14
Prepaid Insurance	7/12/22	Insurica Insurance - Prepaid Insurance	4,835.72		
Prepaid Insurance	7/31/22	Expense monthly portion of pre-paid insurance		12,001.89	
Prepaid Insurance	8/31/22	Expense monthly portion of pre-paid insurance		12,001.89	
Prepaid Insurance	9/30/22	Expense monthly portion of pre-paid insurance		12,001.89	
Prepaid Insurance		Change	4,835.72	36,005.67	-31,169.95
	9/30/22	Ending Balance			83,924.19
Note Receivable - Progress OKC	7/1/22	Beginning Balance			176,985.51
	9/30/22	Ending Balance			176,985.51
ALL-POKC NR	7/1/22	Beginning Balance			-176,985.51
	9/30/22	Ending Balance			-176,985.51
Lease Rec - MROTC	7/1/22	Beginning Balance			7,049,727.00
	9/30/22	Ending Balance			7,049,727.00
Acumulated Depreciation - MROT	7/1/22	Beginning Balance			-8,327,546.97
Acumulated Depreciation - MROT	7/31/22	Record monthly depreciation-MROTC		47,471.23	
Acumulated Depreciation - MROT	8/31/22	Record monthly depreciation-MROTC		47,471.23	

**Oklahoma Industries Authority
General Ledger
For the Period From Jul 1, 2022 to Sep 30, 2022**

Account Description	Date	Trans Description	Debit Amt	Credit Amt	Balance
Acumulated Depreciation - MROT	9/30/22	Record monthly depreciation-MROTC		47,471.23	
Acumulated Depreciation - MROT		Change		142,413.69	-142,413.69
	9/30/22	Ending Balance			-8,469,960.66
Property - 4725 SE 59th, Ledet	7/1/22	Beginning Balance			160,820.00
	9/30/22	Ending Balance			160,820.00
Thomas Estell Land	7/1/22	Beginning Balance			401,263.00
	9/30/22	Ending Balance			401,263.00
MROTC - Land	7/1/22	Beginning Balance			697,000.00
	9/30/22	Ending Balance			697,000.00
MROTC - Building & Tow-way	7/1/22	Beginning Balance			28,482,739.31
	9/30/22	Ending Balance			28,482,739.31
SE 49th-Symes-FY21	7/1/22	Beginning Balance			303,629.77
	9/30/22	Ending Balance			303,629.77
Boeing Land-FY15	7/1/22	Beginning Balance			1,362,845.36
	9/30/22	Ending Balance			1,362,845.36
SE 44th-CLO-40A-FY21	7/1/22	Beginning Balance			830,741.00
	9/30/22	Ending Balance			830,741.00
9400 SE 49th Delp-FY21	7/1/22	Beginning Balance			403,961.22
	9/30/22	Ending Balance			403,961.22
Douglas East 44-59 FY21	7/1/22	Beginning Balance			2,450,000.00
	9/30/22	Ending Balance			2,450,000.00
I-240/Eastern-CLO swap FY21	7/1/22	Beginning Balance			12,339,398.37
	9/30/22	Ending Balance			12,339,398.37
Principal Cash - Appropriated	7/1/22	Beginning Balance			-150,208.34
Principal Cash - Appropriated	7/31/22	Purchase/Sell BOK Cash Fund I 81-4051-02-5		377.57	
Principal Cash - Appropriated	8/23/22	CIT Bank NA	250,000.00		
Principal Cash - Appropriated	8/31/22	Purchase/Sell BOK Cash Fund I 81-4051-02-5		253,071.99	
Principal Cash - Appropriated	9/19/22	Oklahoma City Chamber of Comme		12,000.00	
Principal Cash - Appropriated	9/30/22	Purchase/Sell BOK Cash Fund I 81-4051-02-5	11,169.07		
Principal Cash - Appropriated		Change	261,169.07	265,449.56	-4,280.49
	9/30/22	Ending Balance			-154,488.83
Income Cash - Appropriated Fd	7/1/22	Beginning Balance			150,208.34
Income Cash - Appropriated Fd	7/1/22	Interest to 6/30/22	377.57		
Income Cash - Appropriated Fd	8/1/22	Interest to 7/31/22	654.52		
Income Cash - Appropriated Fd	8/23/22	CIT Bank NA	2,417.47		
Income Cash - Appropriated Fd	9/1/22	Interest to 8/31/22	830.93		
Income Cash - Appropriated Fd		Change	4,280.49		4,280.49
	9/30/22	Ending Balance			154,488.83

Oklahoma Industries Authority
General Ledger
For the Period From Jul 1, 2022 to Sep 30, 2022

Account Description	Date	Trans Description	Debit Amt	Credit Amt	Balance
Princ Cash Tinker Project Fund	7/1/22	Beginning Balance			-13,909.50
Princ Cash Tinker Project Fund	7/31/22	Purchase/Sell BOK Cash Fund I 81-4051-06-6		4.90	
Princ Cash Tinker Project Fund	8/31/22	Purchase/Sell BOK Cash Fund I 81-4051-06-6		8.52	
Princ Cash Tinker Project Fund	9/1/22	Purchase/Sell BOK Cash Fund I 81-4051-06-6		13.17	
Princ Cash Tinker Project Fund		Change		26.59	-26.59
	9/30/22	Ending Balance			-13,936.09
Income Cash - Tinker Proj Fund	7/1/22	Beginning Balance			13,909.50
Income Cash - Tinker Proj Fund	7/1/22	Interest to 6/30/22	4.90		
Income Cash - Tinker Proj Fund	8/1/22	Interest to 7/31/22	8.52		
Income Cash - Tinker Proj Fund	9/1/22	Interest to 8/31/22	13.17		
Income Cash - Tinker Proj Fund		Change	26.59		26.59
	9/30/22	Ending Balance			13,936.09
Shttrm Cash Tinker Project Fd	7/1/22	Beginning Balance			8,326.07
Shttrm Cash Tinker Project Fd	7/31/22	Purchase/Sell BOK Cash Fund I 81-4051-06-6	4.90		
Shttrm Cash Tinker Project Fd	8/31/22	Purchase/Sell BOK Cash Fund I 81-4051-06-6	8.52		
Shttrm Cash Tinker Project Fd	9/1/22	Purchase/Sell BOK Cash Fund I 81-4051-06-6	13.17		
Shttrm Cash Tinker Project Fd		Change	26.59		26.59
	9/30/22	Ending Balance			8,352.66
Short Term Cash Spec. Res. AF	7/1/22	Beginning Balance			639,736.03
Short Term Cash Spec. Res. AF	7/31/22	Purchase/Sell BOK Cash Fund I 81-4051-02-5	377.57		
Short Term Cash Spec. Res. AF	8/17/22	American Expr Nat. BK		250,000.00	
Short Term Cash Spec. Res. AF	8/24/22	Capital One Bank USA		250,000.00	
Short Term Cash Spec. Res. AF	8/31/22	Purchase/Sell BOK Cash Fund I 81-4051-02-5	253,071.99		
Short Term Cash Spec. Res. AF	9/30/22	Purchase/Sell BOK Cash Fund I 81-4051-02-5		11,169.07	
Short Term Cash Spec. Res. AF		Change	253,449.56	511,169.07	-257,719.51
	9/30/22	Ending Balance			382,016.52
Fixed Inc-Special Reserve FdAF	7/1/22	Beginning Balance			250,060.00
Fixed Inc-Special Reserve FdAF	7/31/22	Adjust market value of fixed income investments 81-4051-02-5		115.00	
Fixed Inc-Special Reserve FdAF	8/17/22	American Expr Nat. BK - CUSIP#: 02589ADS8; yield: 3.35; on ori;	250,000.00		
Fixed Inc-Special Reserve FdAF	8/23/22	CIT Bank NA - Invoice: CUSIP#12556LBB1		250,000.00	
Fixed Inc-Special Reserve FdAF	8/24/22	Capital One Bank USA - CUSIP#: 14042TJQ1; Settle Date: 8/24/22	250,000.00		
Fixed Inc-Special Reserve FdAF	8/31/22	Adjust market value of fixed income investments 81-4051-02-5		757.50	
Fixed Inc-Special Reserve FdAF	9/30/22	Adjust market value of fixed income investments 81-4051-02-5		8,115.00	
Fixed Inc-Special Reserve FdAF		Change	500,000.00	258,987.50	241,012.50
	9/30/22	Ending Balance			491,072.50
Deferred Outflow of Res-MROTC	7/1/22	Beginning Balance			312,641.38
Deferred Outflow of Res-MROTC	7/31/22	Amortize deferred outflows related to MROTC refinancing 6/20		19,274.00	
Deferred Outflow of Res-MROTC	8/31/22	Amortize deferred outflows related to MROTC refinancing 6/20		19,309.17	

**Oklahoma Industries Authority
General Ledger
For the Period From Jul 1, 2022 to Sep 30, 2022**

Account Description	Date	Trans Description	Debit Amt	Credit Amt	Balance
Deferred Outflow of Res-MROTC	9/30/22	Amortize deferred outflows related to MROTC refinancing 6/20		19,344.41	
Deferred Outflow of Res-MROTC		Change		57,927.58	-57,927.58
	9/30/22	Ending Balance			254,713.80
Accounts Payable	7/1/22	Beginning Balance			-29,625.50
Accounts Payable	8/29/22	Williams, Box, Forshee & Bulla - Invoice: 30017	6,905.50		
Accounts Payable	8/29/22	Williams, Box, Forshee & Bulla - Invoice: 30015	220.00		
Accounts Payable		Change	7,125.50		7,125.50
	9/30/22	Ending Balance			-22,500.00
Earnest Money Deposit	7/1/22	Beginning Balance			
Earnest Money Deposit	7/1/22	OKC 577, LLC - Earnest Money Deposit per Master Development Agreement dated 3		50,000.00	
Earnest Money Deposit		Change		50,000.00	-50,000.00
	9/30/22	Ending Balance			-50,000.00
Unearned Rent	7/1/22	Beginning Balance			-2,000.00
Unearned Rent	7/1/22	Ledet's Welding	2,000.00		
Unearned Rent	7/26/22	Ledet's Welding - Invoice: 1033		2,000.00	
Unearned Rent	8/1/22	Ledet's Welding	2,000.00		
Unearned Rent	9/1/22	Ledet's Welding	2,000.00		
Unearned Rent	9/1/22	Ledet's Welding - Invoice: 1042		2,000.00	
Unearned Rent	9/21/22	Ledet's Welding - Invoice: 1044		2,000.00	
Unearned Rent		Change	6,000.00	6,000.00	
	9/30/22	Ending Balance			-2,000.00
N/P BancFirst - current	7/1/22	Beginning Balance			-1,678,445.42
	9/30/22	Ending Balance			-1,678,445.42
N/P BancFirst-2900	7/1/22	Beginning Balance			-3,559,362.44
N/P BancFirst-2900	7/29/22	BancFirst - N/P BancFirst-2900	137,622.61		
N/P BancFirst-2900	8/29/22	BancFirst - N/P BancFirst-2900	137,518.71		
N/P BancFirst-2900	9/29/22	BancFirst - N/P BancFirst-2900	137,974.63		
N/P BancFirst-2900		Change	413,115.95		413,115.95
	9/30/22	Ending Balance			-3,146,246.49
Deferred Grant Rev. - Tinker	7/1/22	Beginning Balance			-378,846.33
	9/30/22	Ending Balance			-378,846.33
Def Inflow of Res - MROTC	7/1/22	Beginning Balance			-6,998,993.00
	9/30/22	Ending Balance			-6,998,993.00
Project Fund - Begin Balance	7/1/22	Beginning Balance			-41,526,941.54
	9/30/22	Ending Balance			-41,526,941.54
Lease Payment	7/1/22	Beginning Balance			
Lease Payment	7/1/22	Ledet's Welding - Lease payment for the building at 725 SE 59th Street - 7/10/22 to 8/		2,000.00	
Lease Payment	8/1/22	Ledet's Welding - Lease payment for the building at 725 SE 59th Street - 8/10/22 to 9/		2,000.00	

**Oklahoma Industries Authority
General Ledger
For the Period From Jul 1, 2022 to Sep 30, 2022**

Account Description	Date	Trans Description	Debit Amt	Credit Amt	Balance
Lease Payment	8/8/22	Tyler Outdoor Advertising, LLC - Billboard location rent - 8/1/22 to 7/31/23		8,750.00	
Lease Payment	9/1/22	Ledet's Welding - Lease payment for the building at 725 SE 59th Street - 9/10/22 to 10/31/22		2,000.00	
Lease Payment		Change		14,750.00	-14,750.00
	9/30/22	Ending Balance			-14,750.00
Admin. Rentals - 1/8 of 1%	7/1/22	Beginning Balance			
Admin. Rentals - 1/8 of 1%	7/1/22	OK Medical Research Foundation - \$29,535,000 Oklahoma Industries Authority Revenue Bonds		10,000.00	
Admin. Rentals - 1/8 of 1%	7/1/22	YMCA of Greater OKC - \$3,325,000 Oklahoma Industries Authority Revenue Bonds		828.13	
Admin. Rentals - 1/8 of 1%		Change		10,828.13	-10,828.13
	9/30/22	Ending Balance			-10,828.13
Interest Income - PF	7/1/22	Beginning Balance			
Interest Income - PF	7/1/22	Interest to 6/30/22		882.23	
Interest Income - PF	7/1/22	Interest to 6/30/22		377.57	
Interest Income - PF	7/1/22	Interest to 6/30/22		58.67	
Interest Income - PF	7/1/22	Interest to 6/30/22		4.90	
Interest Income - PF	7/1/22	Interest to 6/30/22		0.59	
Interest Income - PF	7/1/22	Record Interest Income 7/22		10.64	
Interest Income - PF	8/1/22	Interest to 7/31/22		1,523.35	
Interest Income - PF	8/1/22	Interest to 7/31/22		654.52	
Interest Income - PF	8/1/22	Interest to 7/31/22		101.98	
Interest Income - PF	8/1/22	Interest to 7/31/22		8.52	
Interest Income - PF	8/1/22	Interest to 7/31/22		1.02	
Interest Income - PF	8/1/22	Record Interest Income 8/22		18.49	
Interest Income - PF	8/23/22	CIT Bank NA - Int to 8/23/22 on CIT BANK NA CD \$250,000 @ 1.95% due 8/23/22		2,417.47	
Interest Income - PF	8/31/22	Int to 8/31/22 on US Treas Note #9128282D1, \$500,000, 1.375% Mat 8/31/23		3,437.50	
Interest Income - PF	8/31/22	Int to 8/31/22 on US Treas Note #91282CEA5 \$500,000, 1.5% Mat 2/29/24		3,750.00	
Interest Income - PF	9/1/22	Interest to 8/31/22		2,292.20	
Interest Income - PF	9/1/22	Interest to 8/31/22		830.93	
Interest Income - PF	9/1/22	Interest to 8/31/22		157.63	
Interest Income - PF	9/1/22	Interest to 8/31/22		13.17	
Interest Income - PF	9/1/22	Interest to 8/31/22		1.58	
Interest Income - PF	9/1/22	Record Interest Income 9/22		28.58	
Interest Income - PF		Change		16,571.54	-16,571.54
	9/30/22	Ending Balance			-16,571.54
Asset Change in Value	7/1/22	Beginning Balance			
Asset Change in Value	7/1/22	Adjust market value of fixed income investments 81-4051-01-7		2,855.00	
Asset Change in Value	7/31/22	Adjust market value of fixed income investments 81-4051-02-5	115.00		
Asset Change in Value	7/31/22	Adjust market value of fixed income investments 81-4051-03-3	17.50		
Asset Change in Value	8/31/22	Adjust market value of fixed income investments 81-4051-01-7	5,810.00		

**Oklahoma Industries Authority
General Ledger
For the Period From Jul 1, 2022 to Sep 30, 2022**

Account Description	Date	Trans Description	Debit Amt	Credit Amt	Balance
Asset Change in Value	8/31/22	Adjust market value of fixed income investments 81-4051-02-5	757.50		
Asset Change in Value	8/31/22	Adjust market value of fixed income investments 81-4051-03-3		467.50	
Asset Change in Value	9/30/22	Adjust market value of fixed income investments 81-4051-01-7	11,490.00		
Asset Change in Value	9/30/22	Adjust market value of fixed income investments 81-4051-02-5	8,115.00		
Asset Change in Value	9/30/22	Adjust market value of fixed income investments 81-4051-03-3		230.00	
Asset Change in Value	9/30/22	Change	26,305.00	3,552.50	22,752.50
	9/30/22	Ending Balance			22,752.50
MROTC Revenue	7/1/22	Beginning Balance			
MROTC Revenue	7/1/22	72 ABW/CER - Security Service (1-31, July 2022)		30,000.00	
MROTC Revenue	7/1/22	72 ABW/CER - Pro-rated (1 day) June 30, 2022		7,600.84	
MROTC Revenue	7/1/22	72 ABW/CER - Monthly Rent (1-31, July, 2022)		198,025.25	
MROTC Revenue	8/1/22	72 ABW/CER - Security Service (1-31, August, 2022)		30,000.00	
MROTC Revenue	8/1/22	72 ABW/CER - Monthly Rent (1-31, August, 2022)		198,025.25	
MROTC Revenue	9/1/22	72 ABW/CER - Monthly Rent (1-30, September, 2022)		198,025.25	
MROTC Revenue	9/1/22	72 ABW/CER - Security Service (1-30, September, 2022)		30,000.00	
MROTC Revenue	9/30/22	Change		691,676.59	-691,676.59
	9/30/22	Ending Balance			-691,676.59
C-PACE Program Fees	7/1/22	Beginning Balance			
C-PACE Program Fees	7/13/22	Nuveen Green Capital - C-Pace Program Fee - 6300 N. Meridian Avenue		7,081.25	
C-PACE Program Fees	9/16/22	Nuveen Green Capital - C-Pace Program Fee - 331 NW 11th Street		29,728.31	
C-PACE Program Fees	9/30/22	Change		36,809.56	-36,809.56
	9/30/22	Ending Balance			-36,809.56
Contract Services	7/1/22	Beginning Balance			
Contract Services	7/6/22	The Alliance for Economic Dev. - Contract Services	25,000.00		
Contract Services	8/2/22	The Alliance for Economic Dev. - Contract Services	25,000.00		
Contract Services	9/7/22	The Alliance for Economic Dev. - Contract Services	25,000.00		
Contract Services	9/30/22	Change	75,000.00		75,000.00
	9/30/22	Ending Balance			75,000.00
Bank Trustee Fees - PF	7/1/22	Beginning Balance			
Bank Trustee Fees - PF	8/1/22	Service Charge	1,250.00		
Bank Trustee Fees - PF	9/30/22	Change	1,250.00		1,250.00
	9/30/22	Ending Balance			1,250.00
Bank Fees	7/1/22	Beginning Balance			
Bank Fees	9/30/22	Service Charge	2.00		
Bank Fees	9/30/22	Change	2.00		2.00
	9/30/22	Ending Balance			2.00
Legal Expenses	7/1/22	Beginning Balance			
Legal Expenses	8/29/22	Williams, Box, Forshee & Bulla - Legal Expenses	1,590.00		

**Oklahoma Industries Authority
General Ledger
For the Period From Jul 1, 2022 to Sep 30, 2022**

Account Description	Date	Trans Description	Debit Amt	Credit Amt	Balance
Legal Expenses	8/29/22	Williams, Box, Forshee & Bulla - Legal Expenses	4,850.00		
Legal Expenses	9/19/22	Williams, Box, Forshee & Bulla - Legal Expenses	1,410.00		
Legal Expenses	9/19/22	Williams, Box, Forshee & Bulla - Legal Expenses	870.00		
Legal Expenses	9/19/22	Williams, Box, Forshee & Bulla - Legal Expenses	1,487.50		
Legal Expenses	9/19/22	Williams, Box, Forshee & Bulla - Legal Expenses	3,180.00		
Legal Expenses		Change	13,387.50		13,387.50
	9/30/22	Ending Balance			13,387.50
Repair & Maintenance - PF	7/1/22	Beginning Balance			
Repair & Maintenance - PF	8/16/22	Bill's Hauling, LLC - Repair & Maintenance - PF	700.00		
Repair & Maintenance - PF	8/16/22	Bill's Hauling, LLC - Repair & Maintenance - PF	550.00		
Repair & Maintenance - PF		Change	1,250.00		1,250.00
	9/30/22	Ending Balance			1,250.00
Prof. Srvs-AE, Acct	7/1/22	Beginning Balance			
Prof. Srvs-AE, Acct	8/16/22	Slipstream Group Inc. - Prof. Srvs-AE, Acct	5,865.00		
Prof. Srvs-AE, Acct		Change	5,865.00		5,865.00
	9/30/22	Ending Balance			5,865.00
Prof Srvs - Audit - PF	7/1/22	Beginning Balance			
Prof Srvs - Audit - PF	8/29/22	Crawford & Associates, P.C. - Prof Srvs - Audit - PF	340.00		
Prof Srvs - Audit - PF	8/29/22	Crawford & Associates, P.C. - Prof Srvs - Audit - PF	85.00		
Prof Srvs - Audit - PF	9/19/22	HSPG & Associates, PC - Prof Srvs - Audit - PF	10,000.00		
Prof Srvs - Audit - PF		Change	10,425.00		10,425.00
	9/30/22	Ending Balance			10,425.00
Advertising	7/1/22	Beginning Balance			
Advertising	8/16/22	Anglin Public Relations, Inc. - Advertising	216.00		
Advertising		Change	216.00		216.00
	9/30/22	Ending Balance			216.00
Insurance - PF	7/1/22	Beginning Balance			
Insurance - PF	7/31/22	Expense monthly portion of pre-paid insurance	12,001.89		
Insurance - PF	8/31/22	Expense monthly portion of pre-paid insurance	12,001.89		
Insurance - PF	9/30/22	Expense monthly portion of pre-paid insurance	12,001.89		
Insurance - PF		Change	36,005.67		36,005.67
	9/30/22	Ending Balance			36,005.67
Office Expense - PF	7/1/22	Beginning Balance			
Office Expense - PF	8/2/22	Cox Communications, Inc. - Office Expense - PF	62.20		
Office Expense - PF	8/24/22	Cox Communications, Inc. - Office Expense - PF	62.20		
Office Expense - PF	9/26/22	Cox Communications, Inc. - Office Expense - PF	62.20		
Office Expense - PF		Change	186.60		186.60
	9/30/22	Ending Balance			186.60

**Oklahoma Industries Authority
General Ledger
For the Period From Jul 1, 2022 to Sep 30, 2022**

Account Description	Date	Trans Description	Debit Amt	Credit Amt	Balance
Dues & Subscriptions	7/1/22	Beginning Balance			
Dues & Subscriptions	7/19/22	State Chamber of Oklahoma - Dues & Subscriptions	2,211.00		
Dues & Subscriptions		Change	2,211.00		2,211.00
	9/30/22	Ending Balance			2,211.00
Depreciation Expense - MROTC	7/1/22	Beginning Balance			
Depreciation Expense - MROTC	7/31/22	Record monthly depreciation-MROTC	47,471.23		
Depreciation Expense - MROTC	8/31/22	Record monthly depreciation-MROTC	47,471.23		
Depreciation Expense - MROTC	9/30/22	Record monthly depreciation-MROTC	47,471.23		
Depreciation Expense - MROTC		Change	142,413.69		142,413.69
	9/30/22	Ending Balance			142,413.69
Interest Expense	7/1/22	Beginning Balance			
Interest Expense	7/29/22	BancFirst - Interest Expense	16,804.52		
Interest Expense	8/29/22	BancFirst - Interest Expense	16,908.42		
Interest Expense	9/29/22	BancFirst - Interest Expense	16,452.50		
Interest Expense		Change	50,165.44		50,165.44
	9/30/22	Ending Balance			50,165.44
MROTC Facility Expense	7/1/22	Beginning Balance			
MROTC Facility Expense	7/12/22	Allied Universal Security Serv - MROTC Facility Expense	7,110.04		
MROTC Facility Expense	7/19/22	Allied Universal Security Serv - MROTC Facility Expense	6,760.40		
MROTC Facility Expense	7/29/22	Allied Universal Security Serv - MROTC Facility Expense	6,911.04		
MROTC Facility Expense	8/2/22	Allied Universal Security Serv - MROTC Facility Expense	6,911.04		
MROTC Facility Expense	8/9/22	Allied Universal Security Serv - MROTC Facility Expense	7,110.04		
MROTC Facility Expense	8/16/22	Allied Universal Security Serv - MROTC Facility Expense	6,911.04		
MROTC Facility Expense	8/24/22	Allied Universal Security Serv - MROTC Facility Expense	6,908.15		
MROTC Facility Expense	8/29/22	Allied Universal Security Serv - MROTC Facility Expense	6,911.04		
MROTC Facility Expense	9/7/22	Allied Universal Security Serv - MROTC Facility Expense	7,110.04		
MROTC Facility Expense	9/12/22	Allied Universal Security Serv - MROTC Facility Expense	6,911.04		
MROTC Facility Expense	9/19/22	Allied Universal Security Serv - MROTC Facility Expense	6,806.80		
MROTC Facility Expense	9/26/22	Allied Universal Security Serv - MROTC Facility Expense	6,911.04		
MROTC Facility Expense		Change	83,271.71		83,271.71
	9/30/22	Ending Balance			83,271.71
Amort of Def Outflow-MROTC	7/1/22	Beginning Balance			
Amort of Def Outflow-MROTC	7/31/22	Amortize deferred outflows related to MROTC refinancing 6/20	19,274.00		
Amort of Def Outflow-MROTC	8/31/22	Amortize deferred outflows related to MROTC refinancing 6/20	19,309.17		
Amort of Def Outflow-MROTC	9/30/22	Amortize deferred outflows related to MROTC refinancing 6/20	19,344.41		
Amort of Def Outflow-MROTC		Change	57,927.58		57,927.58
	9/30/22	Ending Balance			57,927.58
Dist-benefit other gov. - Cham	7/1/22	Beginning Balance			

**Oklahoma Industries Authority
General Ledger
For the Period From Jul 1, 2022 to Sep 30, 2022**

Account Description	Date	Trans Description	Debit Amt	Credit Amt	Balance
Dist-benefit other gov. - Cham	9/19/22	Oklahoma City Chamber of Comme - Dist-benefit other gov. - Chan	12,000.00		
Dist-benefit other gov. - Cham		Change	12,000.00		12,000.00
	9/30/22	Ending Balance			12,000.00

**AMENDMENT NO. 1 TO THE ECONOMIC DEVELOPMENT
MEMORANDUM OF AGREEMENT**

This Amendment No. 1 to the Economic Development Memorandum of Agreement is entered into this 22nd day of November, 2022, by and between the Oklahoma Industries Authority (“OIA”), an Oklahoma public trust, and the Oklahoma City Economic Development Trust (“OCEDT” or “Trust”), an Oklahoma public trust.

WITNESSETH:

WHEREAS, on February 16, 2021, OIA and OCEDT entered into the Economic Development Memorandum of Agreement regarding the acquisition of certain property known as the 577 acres, the publication of a request for proposals for a master developer to develop that property, and the terms and conditions concerning that development (“MOA”); and

WHEREAS, the 577 acres has been acquired by OIA and OIA issued a request for proposals for a master developer and OKC 577, LLC was selected as that developer; and

WHEREAS, in March of 2022, OIA entered into a Master Development Agreement with OKC 577, LLC which contemplates the use of a ground lease of the 577 acres property to the Master Developer for purposes of constructing improvements on the property, then ultimately subleasing or selling the property in order to bring large industrial companies and new jobs, and investment to Oklahoma City; and

WHEREAS, the MOA only contemplated leases/subleases with the ultimate end user and did not contemplate the use of a ground lease with the Master Developer; and

WHEREAS, the MOA currently requires OIA to transfer property to OCEDT if the property is to be leased; and

WHEREAS, it is necessary to amend the MOA language concerning leases to allow the Master Developer to continue to market, develop, and sell the 577 acres property.

NOW, THEREFORE, for and in consideration of the above premises and the mutual obligations set forth herein, OIA and OCEDT hereby mutually agree to amend the Economic Development Memorandum of Agreement as follows, provided that all other terms and conditions not explicitly listed continue in full force and effect; to wit:

- A. IV. Party Responsibilities, Subsection 3, shall be amended and replaced with the following language (modifications shown in underline and Section strikethrough):

- 3. OIA agrees to use said payment solely for the purchase of the CLO Site. OIA is to hold title to the CLO Site in trust for OCEDT until it is sold or leased for purposes of economic development under terms to be agreed upon by OCEDT. ~~Parcels would be sold or~~

leased to accomplish the job creation and private development objectives. Net proceeds from the sale or lease of individual sites would be returned to OCEDT and placed in the GOLT fund. If a parcel is leased to a party other than the Master Developer, OIA shall transfer and assign ownership of the leased parcels to OCEDT. The use of the property by Master Developer for business other than marketing and development of the property, shall be considered an end user lease which would require transferring and assigning ownership of the leased parcels to OCEDT.

B. VI. Notices, Subsection 1, shall be amended and replaced with the following language (modifications shown in underline and Section strikethrough):

Kenton Tsoodle, General Manager, or his successor
105 N. Hudson, Suite 101
Oklahoma City, OK 73102

IN WITNESS WHEREOF, the Parties adopt and approve this Amendment.

APPROVED by the Oklahoma Industries Authority this _____ day of _____, 202__.

By: _____
its _____

ATTEST:

Secretary

APPROVED by the Trustees and Executed by the Chair of the Oklahoma City Economic Development Trust this 22nd day of November, 2022.

ATTEST

ECONOMIC DEVELOPMENT TRUST

Amy K Simpson
Secretary



Rhonda Hooper
VICE-CHAIR

CONCURRENCE by the Mayor and City Council of The City of Oklahoma City this 6th day of December, 2022.

ATTEST

THE CITY OF OKLAHOMA CITY

Amy K Simpson
City Clerk



David Holt
MAYOR

REVIEWED for form and legality.

Laura K. McDevitt
Assistant Municipal Counselor

RESOLUTION

WHEREAS, pursuant to its Trust Indenture, as amended, for the use and benefit of Oklahoma County, Oklahoma, under the authority and pursuant to the provisions of Title 60, Oklahoma Statutes 2021, Sections 176 et seq., as amended (the "Act"), Oklahoma Industries Authority ("Authority") has been duly created and established as a public trust for public purposes as therein provided;

WHEREAS, the Authority is authorized under said Trust Indenture and the Act to provide funds to encourage economic development activities in Oklahoma County and to promote the economic welfare of the County and inhabitants thereof;

WHEREAS, on February 16, 2021, the Authority and the Oklahoma City Economic Development Trust ("OCEDT") entered into a Memorandum of Agreement for the acquisition and development of the real property generally bounded by Interstate 240 on the North, S.E. 89th Street on the South, Eastern Avenue on the West, and Bryant Avenue on the East ("the 577 Acres Property") for the purpose of attracting large industrial companies and bringing new jobs and investments to Oklahoma City;

WHEREAS, on November 3, 2021, the Trustees approved OKC 577, LLC, ("Developer") as the developer of the 577 Acres Property and authorized the General Manager to negotiate and execute a development agreement with Developer;

WHEREAS, in March of 2022, the General Manager and Developer entered into a Master Development Agreement for the development of the 577 Acres Property;

WHEREAS, the Master Development Agreement, requires Developer to submit a Development Plan to the Trustees for review and approval before December 1, 2022;

WHEREAS, per the Development Agreement, the Development Plan is required to include:

1. a proposed plat;
2. proposed restrictive covenants;
3. Developer's marketing plan;
4. a pro forma schematic site plan;
5. a detailed description of Improvements Developer proposes to construct;
6. the name of Developer's construction team;
7. the projected cost to fully build the Project; and
8. a schedule for the Project with a narrative describing Developer's strategy;

WHEREAS, the approved Development Plan will bind the Developer and all subsequent tenants and owners to carry out development according to the Development Plan;

WHEREAS, OKC 577, LLC, has submitted the Development Plan, included as Attachment A, for consideration by the Trustees;

WHEREAS, the submission and approval of the Development Plan are conditions precedent to the Authority entering into a ground lease with the Developer and allowing development to begin; and

WHEREAS, the form of the ground lease was negotiated between the General Manager and Developer and is included as Attachment B, which was approved by OCEDT in November 2022, (“Ground Lease”).

NOW, THEREFORE, BE IT RESOLVED by the Trustees of Oklahoma Industries Authority that the Development Plan submitted by OKC 577, LLC, for the development of the real property owned by Oklahoma Industries Authority and generally bounded by Interstate 240 on the North, S.E. 89th Street on the South, Eastern Avenue on the West, and Bryant Avenue on the East is approved.

BE IT FURTHER RESOLVED by the Trustees of Oklahoma Industries Authority that the Ground Lease is approved and the Chair, or a Vice-chair in the absence of the Chair, is authorized to modify, finalize, and execute the Ground Lease for and on behalf of the Authority at the appropriate time and as advised by General Counsel of the Authority.

ADOPTED on December 15, 2022.

OKLAHOMA INDUSTRIES AUTHORITY

Chair

ATTEST:

Secretary

ATTACHMENT A

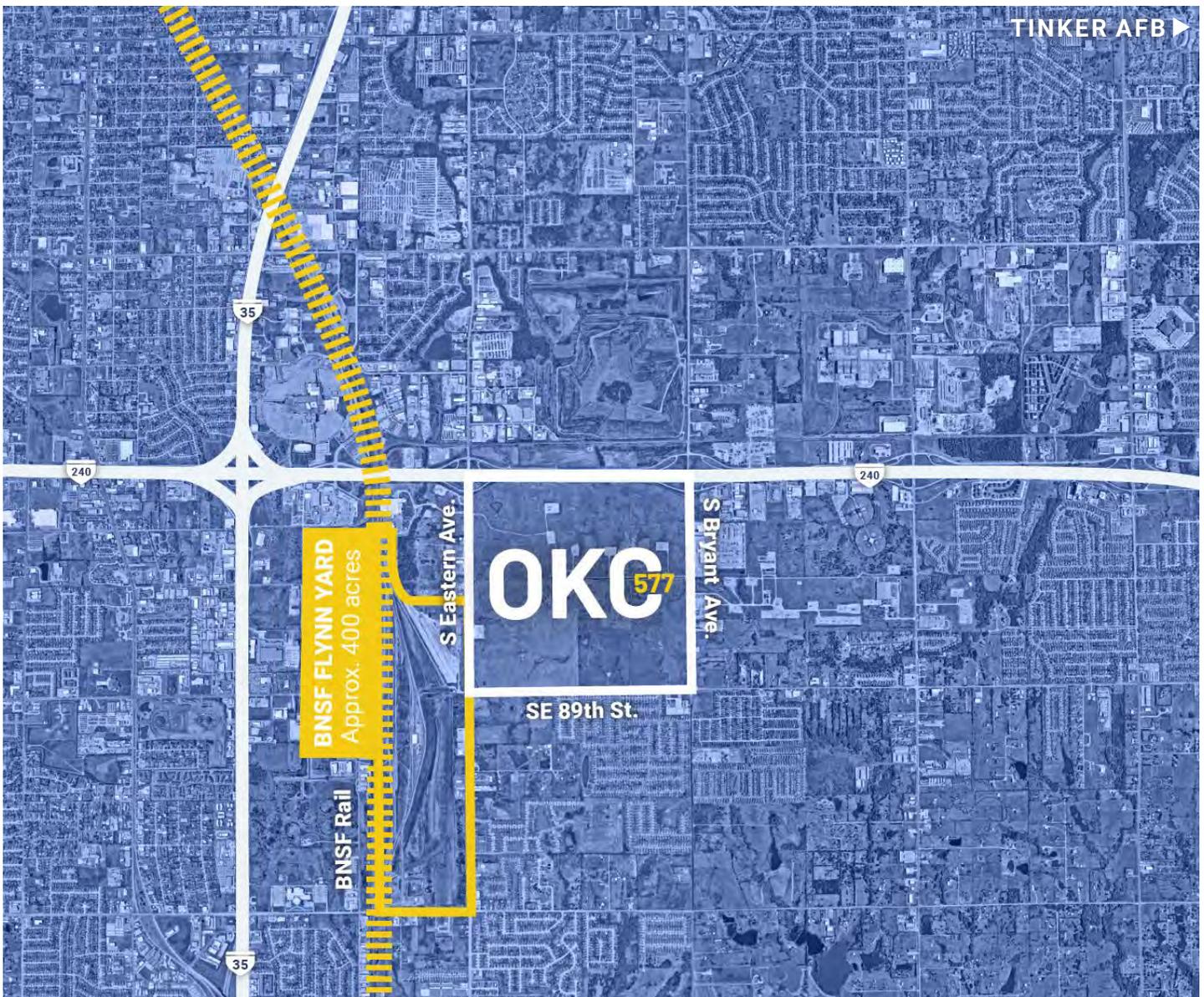
OKC 577

DEVELOPMENT PLAN

DEVELOPMENT OVERVIEW

OKC577, an industrial development by Richard Tanenbaum, Mark Beffort and Brett Price is designed to be Oklahoma City's premier commerce park. Its main focus is attracting manufacturing and large-scale industrial users, building on OKC's strong industrial base. **OKC577's** location is just east of I-35 fronting I-240 with a direct link east to I-40, positioning the development at the crossroads of OKC and the country. This location coupled with the BNSF rail yard directly west of **OKC577** puts the development in a unique, advantageous position.

When complete, the development will accommodate over 7M SF with multiple 1M+ SF facilities. Additional sites will allow for over 20 more facilities ranging in size from 80,000 SF to over 500,000 SF. The infrastructure is designed to be flexible with abundant resources, providing an amenity-rich environment.



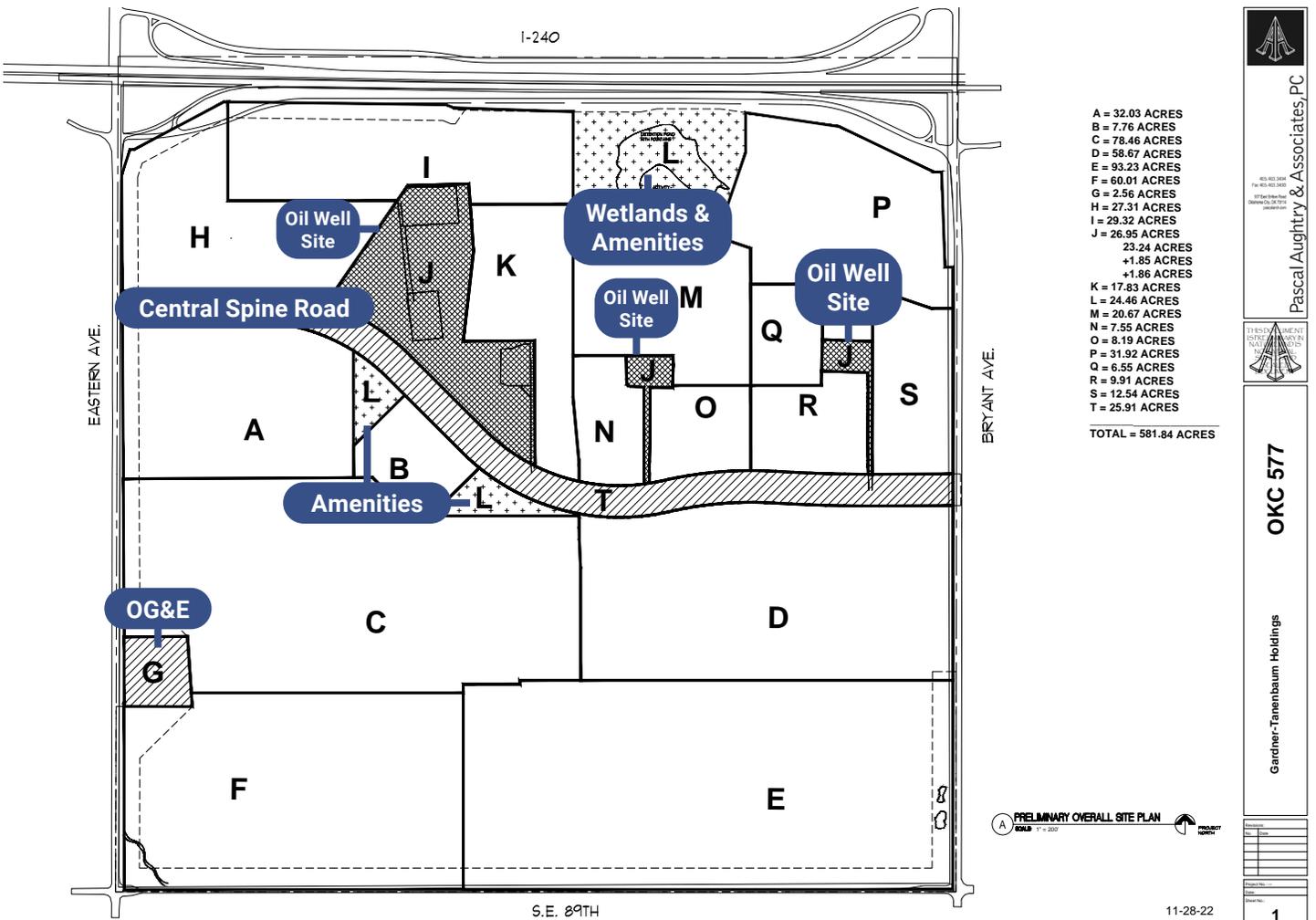
PROPOSED PLAT

Below is our proposed plat for the **OKC577** development. The proposed plat is designed to provide the greatest flexibility while maintaining large parcels. The site is restricted by sites J (oil wells) and L (wetlands), which together provide the optimum location of the Central Spine. The Spine provides a natural division of the large access parcels from the smaller sites.

The northern Site L is a protected wetlands area, offering a natural location for our amenities. Access to this area will be provided for both vehicular and pedestrian traffic.

The proposed plat allows maximum flexibility with each parcel. Ultimate uses, building size, outdoor storage, vehicular parking requirements, etc. require us to be able to modify site lines for varied uses. For this we propose to use this proposed plat as a guide without absolute set boundaries.

Two sites will kick off the development for **OKC577**: Site E for Locke Supply and Site I, which we plan to purchase and construct two 80,000 SF industrial facilities. Commencing construction of Site I in early 2023 will initiate the development and breed activity, in combination with constructing the Central Spine, I-240 Service Rd., and relocating utilities.



Pascal Aughtry & Associates, PC
 OKC 577
 Gardner-Tanenbaum Holdings
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SCHEMATIC SITE PLAN

Below depicts various site designs for how the property could be developed.

The key elements are:

- Maintain site flexibility to accommodate each company's specific needs
- Maximize traffic flow (vehicular and pedestrian) throughout the site by constructing the Central Spine and interior travel paths
 - Pedestrian, bike, and walking paths will be incorporated on all roads to allow fast, safe access to amenities
- Relocate OG&E and ONG transmission lines to the exterior of the site
- Relocate BNSF Antenna Tower off-site
- Locate park amenities and multiple locations in the park

Key Site Features



Concept only, showing scale and massing. Proposed plat is consistent with site plan above.



Pascal Aughtry & Associates, PC

OKC 577

Gardner-Tannenbaum Holdings

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PROJECT IMPROVEMENTS AND COST

The total development costs are described below and will evolve as construction begins. We plan to be flexible with expansions and modifications to projected site design and amenities in order to accommodate each company's needs.

ONG Gas Transmission Line Relocation	3,000,000
Located through the southern 1/3 of the site; requires relocation along the south boundary to allow for efficient use of the larger tracts. Agreement has been reached with ONG.	
OG&E Power Transmission Line Relocation	\$4,900,000
Located through the southern 1/3 of the site and northwest corner; requires relocation along the south and west boundary to allow for efficient use of the larger tracts. Agreement has been reached with OG&E.	
BNSF Microwave Tower Relocation	\$800,000
The Tower site on the south end of the site restricts efficient development of the larger parcels. The Tower will be relocated off-site, west of OKC577 .	
Wastewater and Clean Water Extensions	\$8,000,000
This extension will come from the north side of I-240, west side of Eastern, and east side of Bryant to the northwest portion of the site.	
I-240 Frontage Road	\$2,400,000
Access on the north end of the site is critical to maintain efficient traffic flow and provide central, constant access to a majority of the northern sites.	
Spine Road	\$3,800,000
The Central Spine road will be developed west to east through the northern 1/3 of the site, running adjacent to the oil & gas parcels. This is the natural location dividing the larger sites from the smaller sites.	
Utilities to Sites	\$6,000,000
Developing adequate utility infrastructure through the site. These will develop over time as the site matures and uses are identified.	
Site Grading and Interior Roads	\$36,000,000
Preparation of pad-ready sites will be ongoing as the site matures.	
Developing Amenities	\$2,500,000
Amenities will be located in the 3 parcels identified on the site plans on page 2 and 3. Amenities will include activities such as sport courts, food options such as food trucks, and walking/jogging paths.	
Design, Engineering & Soft Costs	\$3,500,000
Site I Spec Development	\$18,000,000
Developers plan to purchase Site I and build two 80,000 SF facilities commencing 1st Qtr '23	
TOTAL:	\$88,900,000

PROPOSED RESTRICTIVE COVENANTS

Attached as Exhibit A is a detail of our proposed Covenant Conditions and Restrictions (CCR) for **OKC577**. The CCR's are designed to do the following:

- Create an association to govern the development & common areas
- Establish architectural guidelines
- Provide restrictions on use in **OKC577**
- Maintain building guidelines throughout the park
- Establish a Board and Voting Rights for all owners

The CCR's are in draft form and will be finalized after review and comments from the Alliance staff.

DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS FOR OKC 577

THIS DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS FOR OKC 577 (this “**Declaration**”) is made by OKC 577, LLC, an Oklahoma limited liability company (the “**Declarant**”).

WITNESSETH:

WHEREAS, the Declarant is the Lessee of certain real Property located in the City of Oklahoma City, Oklahoma County, Oklahoma, which is more particularly described in Exhibit “A” attached hereto and incorporated herein by this reference (the “Property”), and the Declarant desires to subject the Property to the provisions of this Declaration and to develop the Property as OKC 577, a planned commercial industrial development, and to provide a method for the administration and maintenance of the Property;

NOW, THEREFORE, the Declarant hereby declares that all of the Property shall be held, transferred, sold, conveyed, leased, occupied, and used subject to the following easements, restrictions, covenants, charges, liens, and conditions which shall touch, concern and run with title to the Property and which shall be binding upon and inure to the benefit of all parties having any right, title, or interest in or to the Property, including heirs, trustees, representatives, successors, and assigns.

ARTICLE 1

DEFINITIONS

1.01 Definitions. When used in this Declaration, unless the context shall prohibit or otherwise require, the following words shall have all the following meanings and all definitions shall be applicable to the singular and plural forms of such terms:

1.01.01 “Architectural Standards Committee” or “Committee” shall mean the Architectural Standard Committee created pursuant to Section 9.02 hereof or such other body as the Declarant, its successors or assigns shall designate.

1.01.02 “Assessment” shall mean an Owner’s share of the Common Expenses, any special Assessments, or other charges from time to time assessed against an Owner by the Association in the manner herein provided.

1.01.03 “Association” shall mean OKC 577 Association, Inc., an Oklahoma nonprofit corporation established or to be established by the Declarant.

1.01.04 “Board of Directors” or “Board” shall mean the Board of Directors of the Association, which is the governing body of the Association.

1.01.05 “Bylaws of the Association” or the “Bylaws” shall mean the Bylaws of the Association which govern the administration and operation of the Association, as the same may be amended from time to time.

1.01.06 “Certificate of Incorporation” shall mean the Certificate of incorporation of the Association, as amended from time to time.

1.01.07 “Common Area” shall mean all real and personal Property now or hereafter designated in writing by the Declarant as Common Area and conveyed to the Association or designated as such and held by the Declarant for the benefit of the Association. Such real Property may include but shall not be limited to roads, sidewalks, driveways, bridges, entrances, walkways, rights-of-ways, open spaces (landscaped and natural), pavilions, water features, ponds, streams, recreational facilities and such other Common Areas which have been or may be designated by the Declarant as constituting Common Areas within the Development, together with such improvements thereon as may be necessary for the maintenance and upkeep of such areas. The Declarant, after the execution of this Declaration, without a vote of the members of the Association or the Board, may designate additional real Property located within the Development as Common Area by the filling in the Office of the County Clerk for Oklahoma County, Oklahoma, a supplement to this Declaration so designating such additional real Property as Common Area.

1.01.08 “Common Expenses” shall mean all expenditures lawfully made or incurred by or on behalf of the Association, together with all funds lawfully assessed for the creation or maintenance of reserves, pursuant to the provisions of this Declaration and the Bylaws.

1.01.09 “Declarant” shall mean OKC 577, LLC or any successor-in-title to the entire interest of OKC 577, LLC with respect to the Property or any party who acquires Declarant’s entire interest in the Property pursuant to the foreclosure of a Mortgage encumbering Declarant’s interest in the Property.

1.01.10 “Declarant Owner” shall mean any entity that is (i) either 100% owned by Declarant, (ii) has substantially identical common Ownership with Declarant or (iii) is approved in writing by Declarant, has purchased one or more parcels. Provided, however, that any entity that is a Declarant Owner solely under clause (iii) of the preceding sentence shall cease to be a Declarant Owner with respect to each parcel one year after acquiring title to such parcel.

1.01.11 “Declaration” shall mean this Declaration of Covenants, Conditions, and Restrictions for OKC 577 and all amendments and supplements thereof filed for record in the Office of the county Clerk for Oklahoma County, Oklahoma.

1.01.12 “Development” shall mean the Property and all improvements located or constructed thereon.

1.01.13 “Dwelling” shall mean the improvements on a Parcel located within the Development.

1.01.14 “Foreclosure” shall mean, without limitation, the foreclosure of a Mortgage or the conveyance of secured Property by a deed in lieu of foreclosure.

1.01.15 “Mortgage” shall mean a mortgage, contract for deed, installment land sales contract, or other similar security instrument granting, creating, or conveying a lien upon, a security interest in, or a security title to a Parcel.

1.01.16 “Mortgagee” shall mean the holder of a Mortgage.

1.01.17 “Occupant” shall mean any Person, including, without limitation, any Owner or any guest, invitee, lessee, tenant occupying or otherwise using a Property within the Development.

1.01.18 “Owner” shall mean one or more Persons, including Declarant, that own record title to a Parcel and have the legal right to presently occupy such Parcel, excluding, however, those Persons having such interest under a Mortgage. If more than one Person holds the record title to any Parcel, all of them shall be deemed a single record Owner and shall be a single member of the Association by virtue of their ownership of the Parcel.

1.01.19 “Parcel” shall mean a portion of the Property upon which it is intended that a Commercial/Individual Facility or Facilities be constructed or upon which such a Facility(s) has been constructed.

1.01.20 “Person” shall mean a natural person, corporation, partnership, limited liability company, association, trust, or other legal entity or any combination thereof.

1.01.21 “Property” shall mean those tracts or parcels of land described in Exhibit “A”, together with all improvements thereon, or any portion thereof, together with all improvements thereon.

1.01.22 “Site Plan” shall mean that certain plat of OKC 577, filed on and prepared by Johnson and Associates, which is filed in Plat Book ____, Page ____ of the Office of the County Clerk for Oklahoma County, Oklahoma, and any future revisions, amendments as may be recorded from time to time in the Office of the County Clerk for Oklahoma County, Oklahoma.

ARTICLE 2

PLAN OF DEVELOPMENT

2.01 Plans of Development of Property. The real Property which is, and shall be held, transferred, sold, conveyed, given, donated, leased, and occupied subject to the Declaration, is shown and described in Exhibit "A" including, but not limited to, Parcels, roads, utility systems and drainage systems along with the Common Areas and other improvements serving the Parcels, and Common Areas to the extent the same are from time to time installed and existing. Declarant shall have the right, but not the obligation, for so long as Declarant owns any Parcel primarily for the purpose of sale, to make improvements and changes to any such Parcel owned by the Declarant or to any Common Area, including without limitation: (i) installation and maintenance of any improvements to the entrance of the Development, (ii) changes in the location of the boundaries of any Parcels, Dwellings, and designated Common Areas, (iii) installation and maintenance of any streets, water, sewer, and other utility systems and facilities, and (iv) installation of security and/or refuse facilities.

ARTICLE 3

PROPERTY RIGHTS

3.01 Owners of Parcels. Each Parcel shall for all purposes constitute real Property which, subject to the provisions of the Declaration, may be conveyed, transferred, and encumbered the same as any other real Property. Each Owner shall be entitled to the exclusive ownership and possession of his or her Parcel subject to the provisions of this Declaration, including without limitation, the provisions of this Article 3. The ownership of each Parcel shall include, and there shall pass with each Parcel as an appurtenance thereto, whether or not separately described, all of the right and interest in and to the Common Areas as established hereunder, which shall include, but not be limited to, membership in the association. Each Owner shall automatically become a member of the Association, shall remain a member thereof until such time as his or her ownership ceases for any reason, at which time his or her membership in the Association shall automatically pass to the successor-in-title to his or her Parcel and such successor-in-title shall have such rights and obligations of membership as hereinafter set forth in Article 4.

3.02 Use and Enjoyment by Owners. Subject to the provisions of the Declaration and the rules, regulations, fees, and charges from time to time established by the Board of Directors in accordance with the Bylaws and the terms hereof, every Owner shall have a non-exclusive right, privilege, and easement for the use and enjoyment in and to the Common Areas, such easement to be appurtenant to and to pass and run with title to each Parcel, subject to the following provisions:

3.02.01 Borrow Money. The Association shall have the right to borrow money: (i) for the purpose of improving the Development, or any portion thereof, (ii) for acquiring additional Common Areas, or (iii) for providing the services authorized herein, and, subject to the provisions of Section 7.02 hereof, to give as security for the payment of any such loan a Mortgage or other security instrument conveying or encumbering all or any portion of the

Common Areas; provided, however, that the lien and encumbrance of any such security instrument given by the Association shall be subject and subordinate to any and all rights, interest, options, licenses, easements, and privileges herein reserved or established for the benefit of Declarant, any Owner, or the holder of any Mortgage, irrespective of when such Mortgage is executed or given.

3.02.02 Reservations to Declarant. The rights and easements reserved to Declarant in this Article 3.

3.02.03 Grant and Accept Easements. The right of the Association to grant and accept easements as provided in Section 3.06 hereof and to dedicate or transfer fee simple title to all or any portion of the Common Areas to any public agency or authority, governmental authority, body politic, public service district, public or private utility, or other Person; provided that any such transfer of the fee simple title must be approved by a majority of those present in Person or by proxy at a duly held meeting of the Association and by Declarant, for so long as Declarant owns any Parcel primarily for the purpose of sale.

3.02.04 Access Rights. The rights and easements reserved in Section 3.03 hereof for the benefit of the Association, its directors, officers, agents, and employees.

3.02.05 Association's Powers. The Association shall have the power to set and to regulate the conditions under which the Common Areas may be used by Owners and their guests. The Association shall also have the power to charge reasonable admission or use fees for use of recreational facilities situated on the Common Areas or any personal Property owned by the Association. The Association shall also have the power to limit or suspend voting rights and the use of Common Areas by an Owner during any period in which such Owner is delinquent in payment of any Assessment or for a period not to exceed sixty (60) days if such Owner is in violation of this Declaration or any rules and regulations validly adopted by the Association.

3.03 Access. All Owners, by accepting title to Parcels, lands, or other improvements conveyed subject to this Declaration, waive all rights of uncontrolled and unlimited access, ingress, and egress to and from such Parcel, lands, or other improvements and acknowledge and agree that the means of access, ingress and egress to Parcels, lands or improvements shall be limited to roads, sidewalks, walkways, pathways, and trails, located within the Development by Declarant; provided that pedestrian and vehicular access for Owners, from time to time to relocate and change the directions, width and orientation of the roads, sidewalks, walkways, pathways, and trails located within the Development; provided, however that such relocated roads, sidewalks, walkways, pathways, and trails shall provide a convenient and adequate means of access to the Parcels within the Development. Declarant reserves the right to restrict access over all the roads within the Development as it deems appropriate, so long as Owners possess an adequate and convenient means of access to Parcels located in the Development.

3.04 Easements for Declarant. During the period that Declarant owns any Parcel primarily for the purpose of sale, Declarant shall have an alienable and transferable right and easement on, over, through, under, and across all Parcels and the Common Areas for the purpose of constructing improvements in and to the Parcels and any additional Property and for installing, maintaining, repairing, and replacing such other improvements to the Property (including portions of Common Areas) as are contemplated by this Declaration or as Declarant desires, in its sole discretion, including, without limitation, any improvements or changes permitted and described by Article 2 hereof, and for the purpose of doing all things reasonably necessary and proper in connection therewith; provided in no event shall Declarant have the obligation to do any of the foregoing.

3.05 Changes in Boundaries; Additions to Designated Common Areas. Declarant expressly reserves for itself and its affiliates and successors the right to change or realign the boundaries of the designated Common Areas and any Parcels owned by Declarant, including the realignment of boundaries between adjacent Parcels and/or Dwellings owned by Declarant; provided that any such change or realignment of boundaries shall not materially decrease the acreage of the designated Common Areas and shall be evidenced by a revision of or an addition to the Site Plan which shall be recorded in the records of the County Clerk for Oklahoma County, Oklahoma. In addition, Declarant reserves the right, but shall not have the obligation, to convey to the Association at any time and from time to time any Common Areas and as an addition to the Common Areas: (i) any lakes, pond or freshwater wetlands owned by the Declarant which are located on the Property and (ii) any streets, roads, pathways, trails, or rights-of-way located within the Development.

3.06 Easements for Utilities. There is hereby reserved for the benefit of Declarant, the Association, and their respective successors and assigns, the alienable, transferable, and perpetual right and easement as well as the power to grant and accept easements to and from any public authority or agency, public service district, public or private utility or other Person, upon, over, under, and across: (i) all of the Common Areas, (ii) all land located along the interior of and within five feet of each boundary of all Parcels such lands to be bounded by the exterior boundaries of such Parcels and by lines in the interior of such Parcels which are exactly five (5) feet from such exterior boundaries, and (iii) any utility easement noted or described on the Site Plan, for the purpose of installing, replacing, repairing, maintaining all utilities, including, but not limited to storm sewers and drainage systems, an electrical, gas, telephone, cable television, water, sewer, advanced water treatment, and irrigation lines. To the extent practicable, all utility lines and facilities serving the Development and located therein shall be located underground.

3.07 Easement of Association. There is hereby reserved a general right and easement for the benefit of the Association, its directors, officers, agents, and employees, including, but not limited to, any manager employed by the Association and any employees of such manager, to enter upon any Parcel, or any portion thereof in the performance of their respective duties.

Except in the event of emergencies, this easement is to be exercised only during normal business hours and then, whenever practicable, only upon advance notice to and with permission of the Owner or Occupant of the Parcel directly affected thereby.

3.08 Sale and Construction Offices. Notwithstanding any provisions or restrictions herein to the contrary, there is hereby reserved for the benefit of Declarant and its affiliates, successors and assigns and other Builders approved by the Declarant, alienable and transferable right and easement in and to the Property for the construction and maintenance of signs, sales offices, construction offices, business offices, together with such other facilities as in the sole opinion of Declarant may be reasonably required, convenient, or incidental to the completion of improvements, or sale of Parcels for so long as Declarant or any Declarant Owner owns any Parcel held primarily for sale or construction.

3.09 Maintenance and Maintenance Easement. Each Owner shall keep all shrubs, trees, grass and plantings of every kind on his or her Parcel, including set back areas, planted areas between adjacent sidewalks and the street curb, if any, and any other area, including a portion of the Common Area located between the boundary line of his or her Parcel, and the street or other Property on which such Owner's Parcel abuts, neatly trimmed, properly cultivated and free of trash, weeds and other unsightly material, and shall take appropriate steps to prevent and retard erosion of such Owner's Parcel including, but not limited to, maintenance of any drainage and environmental easement which may exist on a portion of such Parcel; provided, however, that such Owner shall not be responsible for maintenance of any area as to which Declarant or the Association has assumed, pursuant to this Declaration or otherwise in writing, the responsibility for maintenance. If an Owner fails to perform the maintenance described above, Declarant, the Association, or their authorized agents shall have the right at any reasonable time to enter upon any Parcel of an Owner to plant, replace, maintain, and locate thereon, and take such measures as may be reasonably necessary to perform such maintenance and to prevent or retard erosion, and the cost thereof shall be assessed to the Owner as hereafter provided. The cost of such maintenance shall be a personal liability of the Owner. The Owner shall reimburse the Association or Declarant for the cost of such maintenance immediately upon being given notice in writing of the cost thereof. In the event reimbursement is not made to the Association or Declarant within thirty (30) days after such notice to the Owner, then the cost of such maintenance shall become a lien on the Owner's Parcel, which lien may be enforced by the Association in the same manner as provided in the Declaration for enforcement of delinquent Assessments.

3.10 Environmental Easement. There is hereby reserved for the benefit of Declarant, the Association, and their respective agents, employees, successors, and assigns, an alienable, transferable, and perpetual right and easement on, over, and across all Parcels for the purpose of taking any action necessary to effect compliance with environmental rules, regulations or procedures from time to time promulgated or instituted by the Board of Directors or by any governmental entity, such easement to include, without limitation, the right to implement

erosion control procedures and practices, the right to drain standing water, and the right to dispense pesticides and herbicides.

3.11 Wells and Effluent. There is hereby reserved for the benefit of Declarant and its affiliates, agents, employees, successors, and assigns, an alienable, transferable, and perpetual right and easement: (i) to pump water from lakes, ponds, waterways (natural and man-made), basins, water dependent structures, and other bodies of water located within the Development for the purpose of irrigating any portions of the Development, (ii) to drill, install, locate, maintain, and use wells, pumping stations, water towers, siltation basins and tanks, and related water and treatment facilities and systems within the Common Areas and/or effluent on available lands within the Development for irrigation of the Common Areas and Property owned by Declarant, or (iii) to spray or locate any treated sewage effluent within the Common Areas, or upon any Parcel. Except as set forth above, the pumping of water from any pond, lake, or other body of water within the Development for any purpose other than firefighting is prohibited without the express written permission of the Declarant.

3.12 No Partition. There shall be no judicial partition of the Development or any part thereof, nor shall any Person acquiring any interest in the Development, or any part thereof seek any such judicial partition unless the Development has been removed from the provisions of this Declaration.

ARTICLE 4

MEMBERSHIP

4.01 Voting. The Association shall have two (2) classes of voting membership:

(a) Class A. Class A members shall consist of all Owners of Parcels not owned by Declarant or a Declarant Owner. Class A members shall be entitled to one (1) vote for each acre in a Parcel owned.

(b) Class B. The sole class B member shall be the Declarant, who shall be entitled to five (5) votes for each acre in a Parcel owned or leased by Declarant or a Declarant Owner. Upon sale of a Parcel by Declarant or a Declarant Owner to a third party, the Owner of such Parcel shall become a Class A member with respect to such Parcel. Class B shall cease and be converted to a Class A membership with respect to all Parcels owned by Declarant or a Declarant Owner upon the earlier of the occurrence of any of the following events: (i) Declarant in its sole discretion so determines and notifies the Association in writing; (ii) Ninety (90) days following the date Declarant or Declarant Owners have sold seventy five percent (75%) or more of all Parcels which they hold primarily for sale; or (iii) January 1, 2030.

4.02 Membership. Membership shall be appurtenant to and may not be separated from ownership of any Parcel, and ownership of a Parcel shall be the sole qualification for such membership. In the event that record title to a Parcel is transferred or otherwise conveyed, the membership in the Association which is appurtenant thereto shall automatically pass to such

transferee. The foregoing is not intended to include Mortgagees or any other Persons who hold an interest merely as security for the performance of an obligation, and the giving of a security interest shall not terminate or otherwise affect an Owner's membership in the Association. Where a mortgagee or other Person holding an interest in a Parcel as security for the performance of an obligation acquires title to such Parcel through a Foreclosure, such Mortgagee or other transferee shall be deemed to have membership in the Association upon acquiring title to such Parcel. No Owner, whether one or more Persons, shall have more than one membership per Parcel. In the event of multiple Owners of a Parcel, votes and rights of use and enjoyment shall be as provided herein. The rights and privileges of membership, including the right to vote and to hold an office in the Association, may be exercised by a member, but in no event shall more than one vote be cast, or more than one office held for each Parcel (excluding the Class B member). When more than one Person holds an interest in any Parcel, the vote for such Parcel shall be exercised as those Owners of such Parcel determine and notify the Secretary or an Assistant Secretary of the Association prior to any meeting. In the absence of such notice, the vote appurtenant to such Parcel shall be suspended in the event more than one Person seeks to exercise it. Such a suspended vote shall be counted for the purpose of calculating a quorum, but such a suspended vote shall not be cast with regard to voting matters of the Association until the Persons owning such Parcel determine how such vote shall be cast and so advise the Secretary or Assistant Secretary of the Association.

ARTICLE 5

MAINTENANCE

5.01 Responsibilities of Owners. Unless specifically identified herein as being the responsibility of the Association, all maintenance and repair of Parcels together with all other improvements thereon or therein and all lawns, landscaping, and grounds on and within a Parcel shall be the responsibility of the Owner of such Parcel. Each Owner shall be responsible for maintaining his or her Parcel, as the case may be, in a neat, clean, and sanitary condition, and such responsibility shall include the maintenance and care of all buildings, and other structures and all lawns, trees, shrubs, hedges, grass, and other landscaping. As provided in Section 5.03 hereof, each Owner shall also be obligated to pay for the costs incurred by the Association for repairing, replacing, maintaining, or cleaning any item which is the responsibility of such Owner and which such Owner fails or refuses to discharge. Except for the Declarant or a Declarant Owner, no Owner shall: (i) place any improvement on any Parcel unless plans for such improvement have been first approved, in writing, by the Committee in accordance with the Building Guidelines and as provided in Article 9 hereof, (ii) decorate, change, or otherwise alter the appearance of any portion of a building or other improvement or the landscaping, grounds, or other improvements within a Parcel unless such decoration, change, or alteration is first approved, in writing, by the Committee in accordance with the Building Guidelines and as provided in Article 9 hereof, or (iii) do any work which, in the reasonable opinion of the Committee, would jeopardize the soundness and safety of the Development, reduce the value

thereof, or impair any easement or hereditaments thereto, without in every such case obtaining the written approval of the Committee and the Declarant so long as Declarant or any Declarant Owner owns any Parcel primarily for the purpose of sale.

5.02 Association's Responsibility. Except as may be herein otherwise specifically provided, the Association shall maintain and keep in good repair all portions of the Common Areas, which responsibility shall include the maintenance, repair, and replacement of: (i) all walks, pathways, trails, water features, lakes ponds, streets, parking, landscaping, landscaped areas, and other improvements situated within the Common Areas, and (ii) such security systems and utility lines, pipes, plumbing, wires, conduits, and related systems which are a part of the Common Areas and which are not maintained by a public authority, public service district, public or private utility, or other Person. It shall be the sole responsibility of the Association to maintain any structures located on the Common Area. The Association shall not be liable for injury or damage to any Person or Property: (A) caused by weather conditions or by any Owner or any other Person not acting as either an agent or employee of the Association, (B) resulting from any rain or other surface water which may leak or flow from any portion of the Common Areas, or (C) caused by any pipe, plumbing, drain, conduit, appliance, equipment, or utility line or facility, the responsibility for the maintenance of which is that of the Association, becoming out of repair, nor shall the Association be liable to any Owner for loss or damage, by theft or otherwise, of any Property of such Owner which may be stored in or upon any portion of the Common Areas or any other portion of the Property. No diminution or abatement of Assessments, fees, or charges shall be claimed or allowed by reason of any alleged failure of the Association to take some action or to perform some function required to be taken or performed by the Association under this Declaration, or for inconvenience or discomfort arising from the making of improvements or repairs which are the responsibility of the Association, or from any action taken by the Association to comply with any law, ordinance, or with any order or directive of any municipal or other governmental authority, the obligation to pay such Assessments, fees, and charges being a separate and independent covenant on the part of each Owner.

5.03 Failure by Owners to Maintain. In the event that Declarant or the Board of Directors determines that: (i) any Owner has failed or refused to discharge properly his or her obligations with regard to the maintenance, cleaning, repair, or replacement of items for which he or she is responsible hereunder, or (ii) the need for maintenance, cleaning, repair, or replacement which is the responsibility of the Association hereunder is caused through the willful or negligent act of an Owner, tenants, guests, or invitees, and is not covered or paid for by insurance in whole or in part then in either event, Declarant or the Association, except in the event of an emergency situation, may give such Owner written notice of Declarant's or the Association's intent to provide such necessary maintenance, cleaning, repair, or replacement, at the sole cost and expense of such Owner and setting forth with reasonable particularity the maintenance, cleaning, repairs, or replacement deemed necessary. Except in the event of emergency situations, such Owner shall have sixty (60) days within which to complete

maintenance, cleaning, repair, or replacement and diligently proceed to complete the same in a good and workmanlike manner. In the event of emergency situations or the failure of any Owner to comply with the provisions hereof after such notice, Declarant or the Association may provide (but shall not have the obligation to so provide) any such maintenance, cleaning, repair, or replacement, the Association shall promptly reimburse Declarant for Declarant's costs and expenses.

ARTICLE 6

INSURANCE AND CASUALTY LOSSES

6.01 Insurance. The Board of Directors or its duly authorized agents shall have the authority to and shall obtain insurance for the improvements in the Common Areas, in such form as the Board deems appropriate, for the benefit of the Association, insuring all insurable improvements in and to the Common Areas against loss or damage by fire or other hazards, including, without limitation, extended coverage, flood, vandalism, and malicious mischief, such coverage to be in an amount sufficient to cover the full replacement cost (without depreciation but subject to such deductible levels as are deemed reasonable by the Board) of any repair or reconstruction in the event of damage or destruction from any such hazard. The Board or its duly authorized agents shall have the authority to and shall obtain and continue in effect a public liability policy covering all the Common Areas and all damage or injury caused by the negligence of the Association, its members, directors, officers, or any agents. Such public liability policy shall provide such coverages as are determined to be necessary by the Board of Directors. The Board or its duly authorized agents shall have the authority and shall obtain: (i) workers' compensation insurance to the extent necessary to comply with any applicable laws, and (ii) such other types and amounts of insurance as may be determined by the Board to be necessary or desirable. All such insurance coverage obtained by the Board of Directors shall be written in the name of the Association, and the costs of all such coverage shall be a Common Expense. Exclusive authority to adjust losses under policies obtained by the Association and hereafter in force with respect to the Development shall be vested in the Board of Directors. Insofar as permitted by law, to the extent the Board determines insurance coverage is necessary, the Association shall be required to make every effort to secure insurance policies with the provisions hereinafter set forth. It shall be the individual responsibility of each Owner of a Parcel at his or her own expense to provide, as he or she sees fit, public liability, property damage, title, and other insurance with respect to his or her Parcel.

6.02 Damage or Destruction to Parcels. In the event of damage or destruction by fire or other casualty to any Parcels and in the further event that the Owner of such Parcel responsible for the repair and replacement thereof, as the case may be, elects not to repair or rebuild the damaged or destroyed Parcel, such Owner making such election shall promptly clear away the ruins and debris of any damaged improvements or vegetation and leave such Parcel in a clean, orderly, safe, and attractive condition. Should such Owner elect to repair or rebuild such Parcel or other improvement, such Owner shall repair or rebuild such Parcel or other improvements to

substantially the same condition as existed prior to such fire or other casualty and in accordance with all applicable Building Guidelines, standards, restrictions, and provisions of this Declaration and the Committee (including, without limitation, Article 9 hereof). All such work or repair or construction shall be commenced promptly following such damage or destruction and shall be carried through diligently to conclusion.

ARTICLE 7

ADMINISTRATION

7.01 Common Areas. The Association, subject to the rights of Declarant and the rights and duties of the Owners set forth in this Declaration, shall be responsible for the exclusive management and control of the Common Areas and all improvements thereon (including furnishings and equipment related thereto) and shall keep the same in a good, clean, attractive, and sanitary condition, order, and repair, pursuant to the terms and conditions thereof. Except to the extent otherwise required by the provisions of the applicable laws relating to nonprofit corporations, this Declaration, the Bylaws, or the Certificate of Incorporation, the powers herein or otherwise granted to the Association may be exercised by the Board of Directors, acting through the officers of the Association without any further consent or action on the part of the Owners.

7.02 Duties and Powers. The duties and powers of the Association shall be those set forth in the provisions of the applicable laws relating to nonprofit corporations, this Declaration, the Bylaws, and the Certificate of Incorporation, together with those reasonably implied to effect the purposes of the Association; provided, however, that if there are conflicts or inconsistencies between such laws, this Declaration, the Bylaws, or the Certificate of Incorporation, then the provisions of the laws, this Declaration, the Bylaws, or the Certificate of Incorporation, in that order, shall prevail, and each Owner of a Parcel by acceptance of a deed or other conveyance therefore, grants to the Board a power of attorney to vote in favor of such amendments as will remove such conflicts or inconsistencies. The Association may exercise any other right or privilege given to it expressly by this Declaration or by law, together with every other right or privilege reasonably to be implied from the existence of any right or privilege given to it herein or reasonably necessary to effectuate any such right or privilege. Such powers of the Association shall include, but shall not be limited to, the power to purchase or otherwise receive title to one or more Parcels, or Common Areas and to hold, lease, mortgage, sell, and convey the same. Such powers include, but shall not be limited to, arranging with governmental agencies, public service districts, public or private utilities, or others, as a Common Expense or by billing directly to Owners of Parcels to furnish trash collections, water, sewer, and/or security service or a security guard for the Common Areas and/or the Parcels. Notwithstanding the provisions of this Declaration to the contrary, unless and until Declarant relinquishes the right to appoint and remove members of the Board as provided under Section 11.01, as long as Declarant or any Declarant Owner shall own any Parcel primarily for the purpose of sale, the

Association shall not, without the consent of Declarant, borrow money or pledge, mortgage, or hypothecate all or any portion of the Common Areas.

7.03 Agreements. Subject to the prior approval of Declarant as long as Declarant or any Declarant Owner owns a Parcel primarily for the purpose of sale, all agreements and actions lawfully authorized by the Board of Directors shall be binding upon all Owners, their heirs, legal representatives, successors, and assigns, and all others having an interest in the Development or the privilege of possession and enjoyment of any part of the Development, and, in performing its responsibilities hereunder, the Association, through its Board of Directors, shall have the authority to delegate to Persons of its choice such duties of the Association as may be determined by the Board of Directors. In furtherance of the foregoing and not in limitation thereof, the Association may obtain and pay for the services of any Person or entity to manage its affairs or any part thereof, to the extent it deems advisable, as well as such other personnel as the Association shall deem necessary or desirable for the proper operation of the Development, whether such personnel are furnished or employed directly by the Association or by any Person or entity with whom or with which it contracts. All costs and expenses incident to the employment of a manager shall be a Common Expense. During the term of such management agreement, such manager may, if authorized by the Board of Directors, exercise all of the powers and shall be responsible for the performance of all the duties of the Association, excepting any of those powers or duties specifically and exclusively reserved to the directors, officers, or members of the Association by this Declaration or the Bylaws. Such manager may be bonded in such a manner as the Board of Directors may require, with the cost of acquiring any such bond to be a Common Expense. In addition, the Association may pay for, and the Board of Directors may hire and contract for, such legal, accounting, and other professional services as are necessary or desirable in connection with the operation of the Development or the enforcement of this Declaration, the Bylaws, or the rules and regulations of the Association.

7.04 Personal Property and Real Property for Common Use. The Association, through action of its Board of Directors, may acquire and hold tangible and intangible personal Property and real Property and may dispose of the same by sale or otherwise. All funds received and title to all properties acquired by the Association and the proceeds thereof, after deducting therefrom the costs incurred by the Association in acquiring or selling the same, shall be held by and for the benefit of the Association.

7.05 Rules and Regulations. As provided in Article 10 hereof, the Association, through its Board of Directors, may make and enforce reasonable rules and regulations governing the Parcels, which rules and regulations shall be consistent with the rights and duties established by this Declaration.

ARTICLE 8

ASSESSMENTS

8.01 Purpose of Assessments. The Assessments for Common Expenses provided for herein shall be used for the general purposes of promoting the recreation, health, safety, welfare, common benefit, and enjoyment if the Owners and Occupants of the Development and maintaining the Development and improvements therein, all as may be more specifically authorized from time to time by the Board of Directors.

8.02 Creation of lien and Personal Obligation of Assessments. Each Owner of a Parcel, by acceptance of a deed or other conveyance thereof, whether or not it shall be so expressed in such deed or conveyance, is deemed to covenant and agrees to pay the Association: (i) annual Assessments to be established and collected as provided in Section 8.03 hereof, (ii) special Assessments to be established and collected as provided in Section 8.05 hereof, (iii) individual or specific Assessments against any particular Parcel, which are established pursuant to the terms of this Declaration, including, but not limited to, as may be imposed against such Parcel, in accordance with article 10 hereof. Any such Assessments, together with late charges, simple interest at eighteen percent (18%) per annum, and court costs and attorneys' fees incurred to enforce or collect such Assessments, shall be an equitable charge and a continuing lien upon the Parcel, the Owner of which is responsible for payment. Each Owner shall be personally liable for Assessments coming due while he or she is the Owner of Parcel, and his or her grantee shall take title to such Parcel subject to the equitable charge and continuing lien therefor, but without prejudice to the rights of such grantee to recover from his or her grantor any amounts paid by such grantee, therefore. In the event of co-ownership of any Parcel, all of such co-owners shall be jointly and severally liable for the entire amount of such Assessments. Assessments shall be paid in such a manner and on such dates as may be fixed by the Board of Directors; provided that, unless otherwise provided by the Board, the annual Assessments shall be paid in advance at the beginning of the fiscal year of the Association.

8.03 Computation of Annual Assessments. It shall be the duty of the Board at least thirty (30) days prior to the Association's annual meeting to prepare a budget covering the estimated Common Expenses during the coming year, such budget to include a capital contribution or reserve account if necessary for the capital needs of the Association. The Board shall cause a copy of the budget and the proposed total of the annual Assessments to be levied against Parcels and dwellings for the following year to be delivered to each Owner at least fifteen (15) days prior to such meeting. The budget and the annual Assessments shall become effective unless disapproved at the annual meeting by either: (i) Declarant, as long as Declarant has the authority to appoint and remove directors and officers of the Association pursuant to Article 11, or (ii) a vote of a majority of the votes of the Owners in Class A and Class B, if applicable, who are voting in Person or by proxy at such meeting. Notwithstanding the foregoing, in the event the proposed budget is not approved or the Board fails for any reason to determine the budget for the succeeding year, then and until such time as a budget shall have been determined as provided herein, the budget and annual Assessments in effect for the then current year shall be increased in proportion by the greater of either ten (10%) percent of the budget and annual Assessments for the previous year or by the percentage increase, if any, of

the Consumer Price Index (all Urban Consumers, United States City Average, All Items 1982-1984=100, or its successor index) over the preceding year, and such increased budget shall be implemented for the succeeding year, until a new budget shall have been approved as provided above. If any budget at any time proves inadequate for any reason, then the Board may call a meeting of the Association for the approval of a special Assessment as provided in Section 8.05 hereof. The Owner of each Parcel shall pay annual Assessments, beginning on January 1, 2024.

8.04 Common Expenses. The Common Expenses to be funded by the annual Assessments may include, but shall not necessarily be limited to, the following: (i) Management fees and expenses of administration, including legal and accounting fees; (ii) Utility charges for utilities serving the Common Areas and charges for other common services for the Development, including trash collection and security services, if any such services or charges are provided or paid by the Association; (iii) The cost of any policies of insurance purchased for the benefit of the Association as required or permitted by this Declaration, including fire, flood, and other hazard coverage, public liability coverage, and such other insurance coverage as the Board of Directors determines to be in the interests of the Association; (iv) The expenses of maintenance, operation, and repair of those portions of the Common Areas which are the responsibility of the Association under the provisions of this Declaration; (v) The expenses of maintenance, operation and repair of other amenities and facilities serving the Development, the maintenance, operation, and repair of which the Board from time to time determined to be in the best interest of the Association; (vi) The expenses of the Committee which are not defrayed by plan review charges; (vii) Ad valorem real and personal property taxes assessed and levied against the Common Areas; (viii) The expenses for marketing and conducting recreational, cultural, or other related programs for the benefit of the Owners and their tenants, guests, and invitees; (ix) Such other expenses as may be determined from time to time by the Board of Directors to be Common Expenses, including , without limitation, taxes and governmental charges not separately assessed against Parcels; (x) The Expenses of maintenance, operation, repair and reconstruction of any and all pathways, trails, pavilions, water features, lakes, waterways, wells, irrigation systems, pumps, and landscaped areas within the Property and additional Property which have not been designated as Common Areas but which have been conveyed to, and accepted by, the Association; (xi) All expenses associated with the acquisition and employment of individuals or entities supplying security services to the Association on behalf of the Owners of Parcels within the Development; and (xii) The establishment and maintenance of a reasonable reserve fund or funds: (a) for maintenance, repair, and replacement of those portions of the Common Areas which are the responsibility of the Association and which must be maintained, repaired, or replaced on a periodic basis; (b) to cover emergencies and repairs required as a result of casualties which are not funded by insurance proceeds; and (c) to cover unforeseen operating contingencies or deficiencies arising from unpaid Assessments or liens, as well as from emergency expenditures and other matters, all as may be authorized from time to time by the Board of Directors.

8.05 Special Assessments. In addition to the annual Assessments authorized above, the Association, acting through its Board of Directors, may levy, in any assessment year, special Assessments for Common Expenses, applicable to that year only; provided that, any such Assessments shall be approved by: (i) Declarants, as long as Declarant or any Declarant Owner owns any Parcel primarily for the purpose of sale, and (ii) by majority vote of the Owners who are entitled to vote in Person or by proxy in Class A and Class B at a meeting duly called for this purpose in accordance with the provisions of Section 8.07 hereof. The Board of Directors may make such special Assessments payable in installments over a period which may, in the Board's discretion, extend in excess of the fiscal year in which adopted. Such special Assessments are to be prorated among the Parcels as provided with respect to annual Assessments.

8.06 Individual Assessments. Any expenses of the Association occasioned by the conduct of less than all of the Owners shall be specially assessed against such Owners and their respective Parcels. The individual Assessments provided in Section 8.06 shall be levied by the Board of Directors, and the amount and due date of such Assessments so levied by the Board shall be as specified by the Board.

8.07 Notice of Meeting and Quorum. Written notice of the annual meeting of the Association, as well as any other meeting called for the purpose of taking any action authorized under this Article 8, shall be sent to all Owners not less than fifteen (15) days or more than forty-five (45) days in advance of such meetings. With respect to annual meetings, the presence of Owners or proxies entitled to cast over one-half (1/2) of all the votes in Class A and Class B of the Association shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be the presence in person or by proxy of Owners having one-third (1/3) of the total votes of Class A and Class B of the Association. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

8.08 Liens. All sums assessed against any Parcel pursuant to this Declaration, together with court costs, reasonable attorneys' fees, late charges, and interest as provided herein, shall be secured by an equitable charge and continuing lien on such Parcel in favor of the Association. Such liens shall be superior to all other liens and encumbrances on such Parcel except only for: (i) liens of ad valorem taxes, and (ii) liens for all sums unpaid on a prior Mortgage or on any Mortgage of Declarant, or its affiliates, successors, or assigns, and all amounts advanced pursuant to any such Mortgage and secured thereby in accordance with the terms of such instrument.

8.09 Effect of Nonpayment: Remedies of the Association. Any Assessment or charge of an Owner or any portion thereof that is not paid when due shall be considered delinquent. Any Assessment or charge that is delinquent for a period of more than ten (10) days after the date when due shall incur a later charge in an amount as may be determined by the Board from time to time, but not to exceed five percent (5%) of the amount due and shall also commence to accrue simple interest at the rate of eighteen percent (18%) per annum. A lien and equitable

charge as herein provided for each Assessment or charge shall attach simultaneously as the same shall become due and payable, and if an Assessment or charge has not been paid within thirty (30) days, the entire unpaid balance of the Assessment or charge may be accelerated at the option of the Board and be declared due and payable in full. The continuing lien and equitable charge of such Assessment or charge shall include any late charge established by the Board of Directors, as provided above, interest on the principal amount due at the rate of eighteen percent (18%) per annum and all costs of collection (including reasonable attorneys' fees and court costs), and any other amounts provided or permitted hereunder or by law. In the event that the Assessment or charge remains unpaid after sixty (60) days from the original due date, the Association may, as the Board shall determine, institute suit to collect such amounts and to foreclose its lien. The equitable charge and lien provided in this Article shall be in favor of the Association, and each Owner, by his or her acceptance of a deed or other conveyance to a Parcel vests in the Association, and its agent the right and power to bring all actions against him or her personally for the collection of such Assessments and charges as a debt and/or to foreclose the aforesaid lien in the same manner as other liens for the improvement of real Property. The Association shall have the power to bid on the Parcel at any foreclosure sale and to acquire, hold, lease, mortgage, and convey the same. No Owner may waive or otherwise escape liability for the Assessments and charges provided herein, including by way of illustration but not limitation, non-use of the Common Areas or abandonment of his or her Parcel, and an Owner shall remain personally liable for Assessments, charges, interest, and late charges which accrue prior to a sale, transfer, or other conveyance of his or her Parcel.

8.10 Certificate. The Treasurer, Assistant Treasurer or the manager of the Association shall within ten (10) days of a written request and upon payment of such reasonable fee as is from time to time determined by the Board of Directors, furnish to any Owner or Mortgagee which requests the same, a certificate in writing signed by said Treasurer, Assistant Treasurer, or manager setting forth whether the Assessments and charges for which such Owner is responsible have been paid and, if not paid, the outstanding amount due and owing, together with accrued interest, and other penalty charges. Such certificate shall be conclusive evidence, against all but such Owner, of payment of any Assessments and charges stated therein to have been paid.

ARTICLE 9

ARCHITECTURAL STANDARD AND USE RESTRICTIONS

9.01 Purpose; Architectural Harmony. In order to preserve the natural setting and beauty of the Development, to establish and preserve harmonious and aesthetically pleasing design for the Development, and to protect and promote the value of the Development, the Parcels, and all improvements located therein or thereon shall be subject to the restrictions set forth in this Article 9. Every grantee of any interest in the Development, by acceptance of a deed or other conveyance of such interest, agrees to be bound by the provisions of this Article 9. In addition to the construction of buildings, it is specifically intended that placement or

construction of other structures on a Parcel or on the exterior of any structure or other portion of a Parcel shall be regulated by this Declaration and the provisions of this Article 9 and require approval by the Committee. All designs and plans are subject to the procedures and approval of the Committee as defined in this Article 9. Therefore, each Owner agrees that no activity within the scope of this Article 9 shall commence unless and until the Committee has given its prior written approval, which approval may be granted or withheld in the sole discretion of the Committee.

9.02 Architectural Standards Committee. There is hereby established the Architectural Standard Committee, hereinafter the “**Committee**” of either the Declarant or not less than three (3) Owners. Upon the recording of this Declaration, the Declarant or the Declarant’s designated representative, at its option, shall serve as the initial Committee and shall continue to function and administer the provisions of this Declaration until seventy-five percent (75%) of the Parcels are sold and construction has been completed on all such Parcels, at which time the Board of Directors shall establish a separate Committee as provided in this Section 9.02. During the tenure of the designees of Declarant as the Committee, the Committee shall possess all of the rights and powers and shall undertake all of the obligations and duties as set forth in this Article 9; provided, however, that at the Declarant’s option, Declarant may appoint an Owner of a Parcel as an advisory member of the Committee without vote. Any member appointed by the Board may be removed with or without cause by the Board at any time by written notice to such appointee, and a successor or successors appointed to fill such vacancy shall serve the remainder of the term of the former member. The Committee shall elect a chairman and he or she shall be the presiding officer at its meetings. The Committee shall meet as necessary to carry out its business and promptly decide upon plans submitted to it, as well as upon call of the chairman, and all meetings shall be held at such places as may be designated by the chairman. A majority of the members of the Committee shall constitute a quorum for the transaction of business. An affirmative vote of a majority of those present in person or by proxy at a meeting of the Committee shall constitute the action of the Committee on any matter before it. The Committee is authorized to retain the services of consulting architects, landscape architects, urban designers, engineers, inspectors, attorneys, and/or other professionals in order to advise and assist the Committee in performing its functions set forth herein. The Committee is hereby empowered to establish and promulgate building guidelines that are no less restrictive than the requirements of these covenants (herein, the requirements of these covenants and any adopted building guidelines are referred to herein as “**Building Guidelines**”) and architectural and landscaping policies and procedures to which all Owners must adhere, in undertaking any improvement within any Parcel, or Common Area.

9.03 Permitted Improvements. No improvements of any nature whatsoever shall be constructed, altered, added to, or maintained upon any part of the Development, without the prior written approval of the Committee, except: (i) such improvements as are approved by the Committee in accordance with this Article 9, or (ii) improvements which pursuant to the Article 9 do not require the consent of the Committee.

9.04 Construction of Improvements.

9.04.01 Set-back Requirements; Location of Improvements. All buildings, structures, or other improvements (excepting sidewalks and driveways) on or with respect to any Parcel shall be constructed in accordance with the Building Guidelines established by the Committee from time to time and shall be located only within the set-back lines specified on the plats thereof recorded at the time of submission of said Parcels to this Declaration; provided that the Committee shall be empowered to grant variances with respect to such set-back lines.

9.04.02 Payment and Performance Bonds. The Committee, in its sole discretion, may require that any Owner, contractor and/or subcontractor for any planned improvements within the Development post payment and/or performance bonds with the committee to ensure that such contractor or subcontractor shall satisfactorily complete such improvements, or to cover any repairs to the Common Area necessitated by construction activity. Such bonds shall be in the name of the Association and to be in form and amount satisfactory to the Committee. Furthermore, the Committee, in its sole discretion, may require that an Owner place in escrow with the Committee a sum of no more than Five Thousand and NO/100 Dollars (\$5,000.00) in order to ensure that completion of all improvements, including landscaping, in accordance with this Section 9.04 and in Section 9.06 hereof.

9.04.03 Commencement and Completion of Construction of Improvements. The exterior of any improvements shall be commenced no later than thirty-six (36) months from the date of purchase of the Parcel. The exterior of any improvements permitted by this Declaration shall be completed and a Certificate of Occupancy shall be obtained within eighteen (18) months after the construction of same shall have been commenced, except where the Committee allows for an extension of time because such completion within such time is impossible or would result in great hardship to the Owner thereof due to strikes, national emergencies, fires, floods, lightning, earthquakes, or other casualties. In the event that such improvements or landscaping are not completed within the provided periods, the Committee shall be entitled to collect on or enforce any payment or performance bonds required hereunder so as to ensure the proper completion of any such improvements. Furthermore, the Committee shall be entitled to retain any sums so held in for such failure to complete, and such sums shall be remitted to and shall be the Property of the Association. Any such sums so held in accordance with this Section shall, at the discretion of the Committee, be invested so as to earn interest, and any interest earned thereon shall be paid to the Owner making such deposit, if his or her deposit is refunded, or if remitted to the Association shall be the Property of the Association.

9.04.04 Maintenance of Parcel During Construction Activities. The Owner of any Parcel shall require his or her contractors to maintain the Parcel in a reasonably clean and uncluttered condition and all construction trash and debris shall be kept within refuse containers. Upon completion of construction, such Owner shall cause his or her contractors to

immediately remove all equipment, tools, and construction material and debris from the Parcel on which such construction has been completed.

9.05 Architectural Approval. To preserve the architectural and aesthetic appearance of the Development, no construction of improvements of any nature whatsoever shall be commenced or maintained by any Owner, with respect to the construction of the exterior of any structure or with respect to any other portion of the Development, unless and until three (3) copies of the plans and specifications and related data shall have been submitted to and approved in writing, as to; (i) the harmony of external design; (ii) location; (iii) quality of design, workmanship and materials (iv) appearance in relation to surrounding structures and topography; (v) compliance with this Declaration; and (vi) architectural uniformity with surrounding structures by the Committee. The Committee may charge reasonable fees for review of plans and specifications and may require the submitter to pay for any engineering, architecture, or other professionals necessary to properly review such plans and specifications and may require prepayment of any such fees or expenses prior to review. The Committee shall have the sole discretion to determine whether plans and specifications submitted for approval are acceptable to the Association. In connection with approval rights and to prevent excessive drainage or surface water run-off, the Committee shall have the right to establish a maximum percentage of a Parcel which may be covered buildings, structures, or other improvements, which standards shall be promulgated on the basis of topography, percolation rate of the soil, soil types and conditions, vegetation cover, and other environmental factors. Following approval of any plans and specifications by the Committee, representatives of the Committee shall have the right during reasonable hours to enter upon and inspect any Parcel, or other improvements with respect to which construction is underway to determine whether or not the plans and specifications therefore have been approved or whether or not construction is in compliance with approved plans. In the event that the Committee shall determine that such plans and specifications have not been approved or construction is not in compliance with approved plans, the Committee shall be entitled to enjoin further construction and to require the removal or correction of any work in place which does not comply with approved plans and specifications. Refusal of approval of plans and specifications may be based by the Committee upon any ground which is consistent with the objects and purposes of this Declaration, including purely aesthetic considerations, so long as such grounds are not arbitrary or capricious.

9.06 Landscaping. To preserve the aesthetic appearance of the Development, no landscaping, grading, excavation, or filling of any nature whatsoever shall be implemented and installed by any Owner other than Declarant, unless and until the plans therefore have been submitted to and approved in writing by the Committee. The provisions of Section 9.05 hereof regarding time for approval of plans, right to inspect, right to enjoin and/or require removal, etc. shall also be applicable to any proposed landscaping, clearing, grading, excavation, or filling. Such plans shall include a grading plan and calculation of the ratio of the area to be covered by grass lawns versus the area to be used otherwise, and the Committee shall be

entitled to promulgate standards with respect to such ratios. Such landscape and grading plans shall be reviewed and approved with consideration to the harmony of the proposed landscape design to the environmental character in the surrounding area, integration of any structures and proposed landscaping to the character and nature of the surrounding area, the preservation of natural drainage patterns, the visual impact to the surrounding areas and the establishment of adequate and sufficient shading buffering with regard to the individual Parcel to the surrounding area.

9.07 No Waiver of Future Approvals; Approval Not a Guarantee. Each Owner acknowledges that the Committee and its members will change from time to time and that interpretation, application, and enforcement of the Building Guidelines may vary accordingly. Approval of proposals, plans, and specifications, or drawings for any work done or proposed, or in connection with any other matter requiring approval, shall not be deemed to constitute a waiver of the right to withhold approval as to any similar proposals, plans and specifications, drawings, or other matters subsequently or additionally submitted for approval. Should the Committee permit nonconforming improvements through hardship or error, it shall not be construed as a waiver of future enforcement rights or permission for future noncompliance. No approval of plans and specifications and no publication of architectural standards and Building Guidelines shall be construed as representing or implying that such plans, specifications, or standards will, if followed, result in properly designed improvements. Such approvals and standards shall in no event be construed as representing or guaranteeing that any Dwelling or other improvement built in accordance therewith will be built in a good and workmanlike manner. Neither Declarant, the Association, nor the Committee shall be responsible or liable for any defects in any plans or specifications submitted, revised, or approved pursuant to the terms of the Article 9, nor any defects in construction undertaken pursuant to such plans and specifications.

9.08 Variances. The Committee may authorize variances in writing from its guidelines and procedures but only: (i) in accordance with duly adopted Rules and Regulations, (ii) when unique circumstances dictate, such as unusual topography, natural obstructions, hardship or aesthetic or environmental considerations, and (iii) when construction in accordance with the variance would be consistent with the purposes of the Declaration and compatible with existing and anticipated uses of adjoining properties. Inability to obtain or the terms of any governmental approval or the terms of any financing shall not be considered a hardship warranting a variance.

9.09 Exterior Appearance. To be developed

9.10 Easements and Tenants. No Parcel shall be further subdivided or separated into smaller Parcels or parcels by an Owner other than Declarant. No easement or other such partial interest in a Parcel shall be conveyed or transferred by any Owner other than Declarant without the prior written approval of the Committee. Not portion of a Parcel but for the entire Parcel,

together with improvements thereon, may be rented to any tenant without the express written consent of the Board.

9.11 Grading and Excavation. Without the prior written approval of the Committee, no improvement shall be constructed or maintained upon any Parcel that would in any way impede natural drainage. Without the prior written approval of the Committee, no grading, scraping, excavation or other rearranging or puncturing of any surface of any Parcel shall be commenced which will or may tend to interfere with, encroach upon or alter, disturb, or damage any surface or subsurface utility line, pipe, wire, or easement. Any such interference, encroachment, alteration, disturbance, or damage due to the negligence or intentional act of an Owner or his or her agents, contractors, or representatives will be the responsibility of such Owner and the Owner of the line, pipe, wire, or easement, the Association or the Declarant may affect all necessary repairs and charge the cost of the same to such Owner. All grading and excavation should be completed in such a manner to minimize damage to the root systems of existing trees. All cutting, crushing, compacting and/or covering roots of trees should be minimized.

9.12 Repair of Buildings. No building or structure upon any Property within the Development shall be permitted to fall into disrepair, and each such building and structures shall at all times be kept in good condition and repair and adequately painted or otherwise finished.

9.13 Machinery and Equipment. No machinery or equipment of any kind shall be operated upon or adjacent to any Parcel except such machinery or equipment as is customary in connection with the approved use, maintenance, or construction of improvements, appurtenant structures, or other improvements.

ARTICLE 10

RULEMAKING

10.01 Rules and Regulations. Subject to the provisions hereof, the Board of Directors and/or the Committee may establish reasonable rules and regulations, including Building Guidelines, concerning the use of Parcels, and the Common Areas and facilities located thereon. In particular but without limitation, the Board of Directors may promulgate, from time to time, rules and regulations which shall govern activities which may, in the judgement of the Board of Directors, be environmentally hazardous, such as application of fertilizers, pesticides, and other chemicals. Copies of such rules and regulations, including Building Guidelines, and amendments thereto shall be furnished by the Association to all Owners prior to the effective date of such rules and regulations and amendments thereto. Such rules and regulations shall be binding upon the Owners, tenants, guests, and invitees, until and unless any such rule or regulation be specifically overruled, canceled, or modified by the Board of Directors or in a regular or special meeting of the Association by the vote of the Owners, in person or by proxy, holding a majority of the total votes in the Association; provided that in the event of such vote, such action must

also be approved by Declarant, for so long as Declarant owns any Parcel primarily for the purpose of sale.

10.02 Authority and Enforcement. Subject to the provisions of Section 10.03 hereof, upon the violation of this Declaration, the Bylaws, Building Guidelines, or any rules and regulations duly adopted hereunder, including, without limitation, the failure to timely pay any Assessments or charges, the Board shall have the power: (i) to impose reasonable monetary Assessments, which shall constitute an equitable charge and a continuing lien upon the Parcel, or the Owner (ii) to suspend an Owner's right to use any of the Common Areas and/or (iii) to suspend voting rights of any such Owner, and the Board shall have the power to impose all or any combination of these sanctions. An Owner shall be subject to the foregoing sanctions in the event of such a violation by such Owner, guests, or tenants. Any such suspension or rights may be for the duration of the infraction and for any additional period thereafter, not to exceed thirty (30) days. The Assessments levied and assessed as provided in this Section 10.02 herein shall be a lien upon the applicable Parcel in the same manner as that provided for in Sections 8.08 and 8.09 herein. The effect of the non-payment of such Assessments and the remedies of the Association to enforce collection thereof shall be the same as those provisions provided in Section 8.09 herein.

10.03 Procedure. Except with respect to the failure to pay Assessments or charges, the Board shall not impose an Assessment, suspend voting rights, or infringe upon or suspend any other rights of an Owner or other Occupant of the Development for violations of the Declaration, the Bylaws, or any rules and regulation, including Building Guidelines, of the Association, unless and until the following procedure is followed:

10.03.01 Demand. Written demand to cease and desist from an alleged violation shall be served upon the Owner responsible for such violation specifying: (a) The alleged violation; (b) The action required to abate the violation; and (c) A time period of not less than ten (10) days during which the violation may be abated without further sanction, if such violation is a continuing one, or, if the violation is not a continuing one, a statement that any further violation of the same provision of the Declaration, the Bylaws, or of the rules and regulations of the Association may result in the imposition of sanctions after notice and hearing.

10.03.02 Notice of Hearing. Within twelve (12) months of such demand, if the violation continues past the period allowed in the demand for abatement without penalty, or if the same violation subsequently occurs, the Board may serve such Owner with written notice of a hearing to be held by the Board in executive session. The notice shall contain: (a) The nature of the alleged violation; (b) The time and place of the hearing, which time shall be not less than ten (10) days from the giving of the notice; (c) An invitation to attend the hearing and produce any statement, evidence, and witnesses on his behalf; and (d) The proposed sanction to be imposed.

10.03.03 Hearing. The hearing shall be held in executive session of the Board of Directors pursuant to the notice and shall afford the alleged violator a reasonable opportunity to be heard. Any sanctions and Assessments levied by the Board of Directors according to the terms and provisions of the Article 10 shall be established by a majority vote of the Directors present at the above-referenced hearing. No such hearing shall be undertaken with less than a duly constituted quorum of the Board of Directors. Prior to the effectiveness of any sanction hereunder, proof of notice and the invitation to be heard shall be placed in the minutes of the meeting. Such proof shall be deemed adequate if a copy of the notice together with a statement of the date and manner of delivery is entered by the officer, director, or other individual who delivered such notice. The notice requirement shall be deemed satisfied if an alleged violator appears at the meeting. The minutes of the meeting shall contain a written statement of the results of the hearing and the sanction imposed, if any.

10.04 Arbitration. The arbitration procedure set forth in this Section will be the sole and exclusive method for resolving and remedying any dispute (a “**Dispute**”) arising under, out of, in connection with, or related to any of the following: this Declaration, or any provision thereof, or the making or validity thereof, or the interpretation thereof, or any violation or breach or alleged violation or breach thereof, or any failure to enforce or alleged failure to enforce. Arbitration shall be conducted in accordance with the Rules of the American Arbitration Association (the “**Rules**”) in Oklahoma City, Oklahoma. Arbitrators will be selected in accordance with the Rules. The determination of the American Arbitration Association as to the resolution of the Dispute shall be binding. The arbitrators shall conduct their arbitration such that a final result, determination, finding, judgement and/or award (the “**Final Determination**”) is made or rendered as soon as practicable. The Final Determination shall be final and binding on all parties, and there shall be no appeal from or reexamination of the Final Determination, except for fraud, perjury, evident partiality, or misconduct by an arbitrator prejudicing the rights of any party and to correct manifest clerical errors. The injured party shall be entitled to payment from the other party immediately upon Final Determination based on the Final Determination whether by payment, settlement, judgment, arbitrator’s decision, or other resolution of the claim. The arbitration procedures and any Final Determination under this Section shall be governed by, and shall be enforced pursuant to, applicable Oklahoma law. Notwithstanding anything contained herein to the contrary, nothing in this Section shall prohibit litigation to enforce any Final Determination.

ARTICLE 11

GENERAL PROVISIONS

11.01 Amendments by Declarant. During any period in which Declarant retains the right to appoint and remove any directors and officers of the Association, Declarant may amend this Declaration by an instrument in writing filed and recorded in the records of the Office of the County Clerk of Oklahoma County, Oklahoma, without the approval of any Owner or Mortgagee; provided, however, that: (i) in the event that such amendment materially and

adversely alters or changes any Owner's right to the use and enjoyment of his or her Parcel, or the Common Areas as set forth in this Declaration or adversely affect the title to any Parcel, such amendment shall be valid only upon the written consent thereto by a majority in number of the then existing Owners affected thereby, or (ii) in the event that such amendment would materially and adversely affect the security, title and interest of any Mortgagee, such amendment shall be valid only upon the written consent thereto of all such Mortgagees so affected. Any amendment made pursuant to this Section 11.02 shall be certified by Declarant as having been duly approved by Declarant, and by such Owners and Mortgagees, if required, and shall be effective only upon recordation or at such later date as shall be specified in the amendment itself Each Owner, by acceptance of a deed or other conveyance to a Parcel grants to Declarant a power of attorney to make such amendments as are permitted by this Section 11.02 relating to the Development: (a) if such amendment is necessary to bring any provision hereof or thereof into compliance or conformity with the provisions of any applicable governmental statute, rule, or regulation or any judicial determination which shall be in conflict therewith; (b) if such amendment is necessary to enable any title insurance company to issue title insurance coverage with respect to any Parcels subject to this Declaration or (c) if any such amendment is necessary to enable any governmental agency or reputable private insurance company to insure Mortgages on the Parcels, Dwellings, or other improvements subject to this Declaration.

11.02 Amendments by Association. Amendments to this Declaration, other than those authorized by other Sections hereof, shall be proposed and adopted in the following manner:

11.02.01 Notice. Notice of the subject matter of the proposed amendment shall be included in the notice of the meeting of the Association at which such proposed amendment is to be considered and shall be delivered to each member of the Association.

11.02.02 Approval. At such meeting, a resolution adopting a proposed amendment may be proposed by either the Board of Directors or by the Owners. Such amendment must be approved by the Owners holding at least two-thirds (2/3) of the total votes in the Association in both Class A and Class B, if applicable; provided, however, any amendment which materially and adversely affects the security title and interest of any Mortgagee must be approved by such Mortgagee.

11.02.03 Effectiveness. The agreement of the required percentage of the Owners and, where required, Declarant and any Mortgagee, to any amendment of the Declaration shall be evidenced by their execution of such amendment. Any such amendment of this Declaration shall become effective only when recorded or at such later date as may be specified in the amendment itself.

11.03 Enforcement. Each Owner shall comply strictly with the Bylaws and the published rules and regulations, including Building Guidelines, of the Association adopted pursuant to this Declaration, as either of the same may be lawfully amended from time to time, and with the

covenants, conditions, and restrictions set forth in this Declaration and in the deed or other instrument of conveyance to his or her Parcel, if any. Failure to comply with any of the same shall be grounds for imposing Assessments, for suspending voting rights or rights of use in and to any Common Area, or for instituting an action to recover sums due, for damages, and/or for injunctive relief, such actions to be maintainable by Declarant, the Board of Directors on behalf of the Association, or in a proper case, by an aggrieved Owner. Should Declarant or the Association employ legal counsel to enforce any of the foregoing, all costs incurred in such enforcement, including court costs and attorneys' fees, shall be paid by the violating Owner. Inasmuch as the enforcement of the provisions of this Declaration, the Bylaws, and the rules and regulations of the Association are essential for the effectuation of the general plan of Development contemplated hereby and for the protection of present and future Owners, it is hereby declared that any breach thereof may not adequately be compensated by recovery of damages and that Declarant, the Association, or any aggrieved Owner, in addition to all other remedies, may require and shall be entitled to an injunction to restrain any such violation or breach or any threatened violation or breach. No delay, failure, or omission on the part of Declarant, the Association, or any aggrieved Owner in exercising any right, power, or remedy herein provided shall be construed as an acquiescence thereto or shall be deemed a waiver of the right to enforce such right, power, or remedy thereafter as to the same violation or breach, or as to a violation or breach occurring prior or subsequent thereto and shall not bar or affect its enforcement. No right of action shall accrue, nor shall any action be brought or maintained by anyone whatsoever against Declarant or the Association for or on account of any failure to bring any action on account of any violation or breach, or threatened violation or breach, by any Person of the provisions of this Declaration, the Bylaws, or any rules and regulations of the Association, however long continued.

11.04 Duration. The provisions of this Declaration shall run with the land and shall bind title to the Property, shall be binding upon and inure to the benefit of all Owners and Mortgagees and their respective heirs, executors, legal representatives, successors, and assigns, and shall be and remain in effect for a period of thirty (30) years from and after the date of the recording of the declaration; provided that rights and easements which are stated herein to have a longer duration shall have such longer duration. Upon the expiration of said thirty (30) year period, this Declaration shall be automatically renewed for successive ten (20) year renewal period, unless seventy-five percent (75%) of the total votes of the Association are cast in favor of terminating this Declaration at the end of the then current term. In the event that the Association votes to terminate this Declaration, an instrument evidencing such termination, shall be filed of record in the Office of the County Clerk for Oklahoma County, Oklahoma, such instrument to contain a certificate wherein the President of the Association states under oath that such termination was duly adopted by the requisite number of votes. Every Owner of any interest in any Property, by acceptance of a deed or other conveyance, therefore, thereby agrees that the provisions of this Declaration shall run with the land and shall bind title to the Property as provided hereby.

11.05 Interpretation. In all cases, the provisions set forth or provided for in this Declaration shall be construed together and given that interpretation or construction which, in the opinion of the Declarant or the Board of Directors, will best effect the intent of the general plan of the Development. The provisions hereof shall be liberally interpreted, and, if necessary, they shall be so extended or enlarged by implication as to make them fully effective. The provisions of the Declaration shall be given full force and effect notwithstanding the existence of any zoning ordinance or building codes which are less restrictive. The effective date of this Declaration shall be the date of its filing for record in the Office of the County Clerk for Oklahoma County, Oklahoma. The captions of each Article and Section hereof as to the contents of each Article and Section are inserted only for convenience and are in no way to be construed as defining, limiting, extending, or otherwise modifying or adding to the particular Article or Section to which they refer. This Declaration shall be construed under and in accordance with the laws of the State of Oklahoma.

11.06 Gender and Grammar. The singular wherever used herein shall be construed to mean the plural when applicable, and the necessary grammatical changes required to make the provisions hereof apply wither to corporations or other entities or to individuals, men or women, shall in all cases be assumed as though in each case fully expressed.

11.07 Severability. Whenever possible, each provision of this Declaration shall be interpreted in such manner as to be effective and valid, but if the application of any provision of this Declaration to any Person or to any Property shall be prohibited or held invalid, such prohibition or invalidity shall not affect any other provision or the application of any provision which can be given effect without the invalid provision or application, and to this end the provisions of the Declaration are declared to be severable.

11.08 Rights of Third Parties. This Declaration shall be recorded for the benefit of Declarant, the Owners, and their Mortgagees as herein provided, and, by such recording, no adjoining property owner, third party or the public shall have any right, title or interest whatsoever in the Development, except as provided herein, or in the operation or continuation thereof or in the enforcement of any of the provisions hereof, and , subject to the rights of Declarant and Mortgagees as herein provided, the Owners shall have the right to extend, modify, amend, or otherwise change the provisions of this Declaration without the consent, permission, or approval of any adjoining owner or third party or the public.

11.9 Notice of Sale, Lease, or Mortgage. In the event an Owner sells, leases, mortgages, or otherwise disposes of any Parcel, the Owner must promptly furnish to the Association in writing the name and address of such purchaser, lessee, mortgagee, or transferee.

11.10 No Trespass. Whenever the Association, the Declarant, the Committee, and their respective successors, assigns, agents, or employees are permitted by this Declaration to enter upon or correct, repair, clean, maintain, preserve, or do any other action within any portion of

the Development, the entering thereon and the taking of such action shall not be deemed to be trespass or any violation of a covenant of quiet enjoyment.

11.011 Notices. Notices required hereunder shall be in writing and shall be delivered by hand or sent by United States Mail, postage prepaid. All notices to Owners shall be delivered or sent to such addresses as have been designated in writing to the Association, or, if no address has been so designated, at the addresses of such Owners' respective Parcels. Owners may elect to receive Notices by email pursuant to rules to be established by the Association's Board of Directors. All notices to the Association shall be delivered or sent in care of Declarant to Declarant's main office, or to such other address as the Association may from time to time notify the Owners. Notices to Mortgagees shall be delivered or sent to such addresses as such Mortgagees specify in writing to the Association

IN WITNESS WHEREOF, the undersigned Declarant has executed this Declaration, this ____ day of _____, 2022

OKC 577, LLC,
an Oklahoma limited liability company

By: _____
Mark Beffort, Manager

STATE OF OKLAHOMA)
)
COUNTY OF OKLAHOMA)

This instrument was acknowledged before me on the ____ day of _____, 2022
by _____, Manager of OKC 577, LLC, an Oklahoma limited liability company,
on behalf of the company.

Notary Public
My Commission Expires:

OKC 577

LEGAL DESCRIPTION

All of Section Thirty-six (36), Township Eleven (11) North, Range Three (3) West of the Indian Meridian, Oklahoma County, State of Oklahoma.

Said described tract of land contains an area of 27,867,083 square feet or 639.7402 acres, more or less. Said tract of land contains a net area of 25,621,302 square feet or 588.1842 acres, more or less (less areas defined as statutory right-of-way and areas defined as highway right-of-way).

DRAFT

MARKETING PLAN

AWARENESS



Website

We have obtained the web address of **OKC577.com**. Upon approval of our development plan the site will be live no later than 4 weeks.



Brochure

The marketing brochure will be refined upon approval of our development plan in both print & digital forms.



Social Media

We are developing a social media strategy and a brand will be designed for Facebook, Instagram, LinkedIn & Twitter to continuously promote **OKC577** and its progress.

ENGAGEMENT



Network

Utilizing the Newmark National & International presence, **OKC577** details will be distributed to companies across the globe. **OKC577** will also be presented periodically at Newmark's Industrial Practice Group.



Relationship

The development team has forged strong relationships throughout the country with companies, brokers, site consultants, lenders, etc.. **OKC577** will be presented to and discussed with each of them.



Chamber

The development team will work closely with the OKC Chamber and Department of Commerce to actively market **OKC577** to every prospect and to each Site Selection Consultant to ensure they are fully aware of **OKC577** availability.

EXECUTION



Research

Newmark maintains extensive databases and utilizes external sources to monitor activity, absorption, and market conditions to effectively adapt to current trends.



Communication

All means will be used: social media, print & digital marketing, emails, phone calls and in-person meetings to maintain consistent communication with all potential prospects.



Negotiation

Each of the development team has the authority to negotiate terms and make decisions immediately to move opportunities into completed transactions.

DEVELOPMENT TEAM

DEVELOPERS

Lead Developer



Richard Tanenbaum

Co-Developer



Mark Beffort

Marketing



Brett Price

SITE DESIGN ENGINEERS

- Locke Supply (Site E) and Site I plan & specification will be completed by Pascal Aughtry & Associates
- Future site plans & specs will be chosen when uses are identified

Civil Engineer



Johnson & Associates

Tim Johnson
Brian Rowe
Cody Eakle

Site Architectural



Pascal Aughtry & Associates, PC

Pascal Aughtry & Shelby Aughtry

Landscaping

TBD

CONSTRUCTION

- Site development will be completed by developers utilizing multiple subcontractors

Infrastructure Project Management



Gardner Tanenbaum

Erik Gumerson

Vertical Construction



VanHoose Construction

Jeff VanHoose

TIMELINE



ATTACHMENT B

Ground Lease

between OKC 577, LLC, an Oklahoma limited liability company,

and

The Oklahoma Industries Authority, a public trust

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Exhibits:

- A Legal Description and Depiction of the Land
- B Lessee’s Insurance Requirements
- C Form of Memorandum of Ground Lease

Ground Lease

This Ground Lease (this "Lease") is between the Oklahoma Industries Authority ("Lessor"), an Oklahoma public trust, and OKC 577, LLC, an Oklahoma limited liability company, ("Lessee"), effective as of the Lease Effective Date, defined below. Lessor and Lessee are the "Parties" and each a "Party."

Recitals

A. Lessor is the owner of the undeveloped land located near I-240 and South Eastern Avenue in Oklahoma City, Oklahoma, the legal description of which is all of Section 36, Township 11 North, Range 3 West of the Indian Meridian, Oklahoma County, Oklahoma (the "Land").

B. Pursuant to the February 26, 2021 Economic Development Memorandum of Agreement (the "Memorandum") between Lessor, the Oklahoma City Economic Development Trust ("OCEDT"), and concurred with by The City of Oklahoma City ("The City"), OCEDT and The City expressed their desire to promote and assist economic development projects in Oklahoma City, in furtherance of which OCEDT and Lessor agreed that Lessor would acquire title to the Land and then Lessor would work with OCEDT and the Greater Oklahoma City Chamber of Commerce to develop the Land.

C. In order to do so, the Memorandum provides that Lessor would issue a Request for Proposals for a Master Developer to secure the services of a developer who would then work with Lessor to develop the Land by, among other things: recruiting companies desiring large parcels of developed and undeveloped industrial and/or commercial land adjacent to major highways to and from Oklahoma City; providing development-ready sites within the Land; providing construction services for the development of parcels within the Land; providing relocation incentive packages; and providing aggressive marketing, with sites to be sold or leased to accomplish job creation and private development objections.

D. Lessor issued its Request for Proposals for a Master Developer and selected Lessee to serve as that master developer of the Land, as further described in the Development Agreement entered into by the Parties.

E. The Development Agreement requires the Parties to enter into this Lease in order for Lessee to develop the Land as contemplated by the Memorandum.

F. In furtherance of those purposes, the Parties enter into this Lease.

Agreement

1. **Defined Terms.** The following terms have the following meanings:

A. **Affected Party.** See Section titled *Force Majeure Events*.

B. **Default.** See subsection titled *Events of Default by Lessee*.

C. **Development Agreement.** *Development Agreement* means the Master Development Agreement between Lessor (as "OIA") and Lessee (as "Developer") and relating to the development of the Project.

D. **Event of Default.** See subsection titled *Notice; Opportunity to Cure*.

E. Force Majeure Event. See Section titled *Force Majeure Events*.

F. Improvements. *Improvements* means the Sites and related facilities to be developed by Lessee after the Lease Effective Date and located on the Land, including all drives, landscaping, utility lines, and other improvements of whatever character and all other fixtures, equipment, and other items of tangible property now or hereafter installed or constructed by Lessee or used in connection with the Project and located on the Land, excluding Lessee's Personal Property and Lessee's Sites and all improvements on Lessee's Sites (as defined elsewhere herein).

G. Land. *Land* means the approximate 577 acres of real property in Oklahoma City, Oklahoma bounded by Interstate-240 on the North, S.E. 89th Street on the South, Eastern Avenue on the West, and Bryant Avenue on the East, more particularly described and depicted on Exhibit A.

H. Lease. *Lease* means this Ground Lease and all modifications and amendments to it bearing the written approval of both Parties.

I. Lease Effective Date. See Section titled *Lease Effective Date*.

J. Lease Term. See subsection titled *Lease Term*.

K. Lease Year. *Lease Year* means the one-year period commencing on the Lease Effective Date and each one-year period during the Lease Term thereafter.

L. Leasehold Mortgage. *Leasehold Mortgage* means a mortgage, security agreement, collateral assignment or other instrument creating a lien, security interest or other encumbrance covering all or any part of Lessee's interest in: (1) this Lease; (2) the leasehold estate created by this Lease; or (3) the Improvements.

M. Leasehold Mortgagee. *Leasehold Mortgagee* means the Person designated as the holder of any Leasehold Mortgage and such Person's successors and assigns of record.

N. Legal Requirements. *Legal Requirements* (and each a *Legal Requirement*) means all laws, statutes, codes, ordinances, orders, judgments, decrees, injunctions, rules, regulations, Permits, licenses, authorizations, directions, and requirements of and agreements with all federal, state, and local governments, agencies, and officials, foreseen and unforeseen, ordinary or extraordinary, that now or at any time hereafter may be applicable to all or any part of the Property or to any use or condition of all or any part of the Property or to Lessor or Lessee, as well as any covenants and restrictions now or hereafter burdening the Property.

O. Lessee. *Lessee* means OKC 577, LLC, an Oklahoma limited liability company.

P. Lessee Group. *Lessee Group* means: (1) Lessee; (2) its parents, subsidiaries, and affiliates; (3) the successors and assigns of (1) and (2); and (4) the employees and agents of either (1), (2) or (3).

Q. Lessee's Personal Property. *Lessee's Personal Property* means property owned by Lessee that is not permanently affixed to the Land or the Improvements and that can be removed without material injury to the Land or the Improvements, including equipment, trade fixtures, signs, and other moveable personal property.

- R. Lessee's Policies.** See Section titled *Insurance*.
- S. Lessee's Sites.** See Section titled *Lessee's Purchase of Sites*.
- T. Lessor.** *Lessor* means the Oklahoma Industries Authority, a public trust.
- U. Lessor's Consent.** See subsection titled *Lessor's Consent*.
- V. Lien.** See Section titled *Liens*.
- W. Notices, Notice.** See Section titled *Notices*.
- X. Parties.** *Parties* (and each a *Party*) means Lessor and Lessee.
- Y. Permits.** *Permits* (and each a *Permit*) means all permits, licenses, registrations, approvals, certificates or other governmental authorizations necessary or appropriate for the operation of the Property.
- Z. Person(s).** *Persons* (and each a *Person*) means any individual, corporation, association, trust, partnership, joint venture or any government or agency or political subdivision of it. Persons do not include Lessor or Lessee.
- AA. Project.** *Project* means the development, construction, and operation of improvements on the Land such that the Property will be a site with industrial and commercial development-ready sites, such sites to be further developed by Lessee and operated by Lessee or to be subleased or purchased by Lessee and sold or leased to third parties for those parties' further development and/or operation of the sites.
- BB. Property.** *Property* means the Land and the Improvements, excluding Lessee's Sites.
- CC. Related Entity.** *Related Entity* means any business entity that is owned or controlled by, owns or controls or is under common ownership or control with, Lessee or a successor entity to Lessee created by merger, consolidation, liquidation or reorganization, and/or an entity which acquires ownership of all or substantially all of the assets and/or stock of Lessee, whether or not there is a change in Lessee's name.
- DD. Rent.** See subsection titled *Rent*.
- EE. Sites.** *Sites* means the development-ready sites within the Property developed by Lessee for the Project.
- FF. Taxes and Expenses.** *Taxes and Expenses* means all ad valorem and other taxes (including sales and use taxes), assessments (including all assessments for public improvements or benefits, whether or not commenced or completed prior to the Lease Effective Date and whether or not to be completed during the Lease Term), "in lieu of" ad valorem tax payments as provided for in Oklahoma's Local Development Act, 62 O.S. 850, *et seq.*, water, sewer, and other rents, rates, charges, excises, levies, license fees, Permit fees, inspection fees, and other authorization fees and other charges, whether general or special, ordinary or extraordinary, foreseen or unforeseen, of every character (including all interest and penalties), that at any time during the Lease Term may be assessed, levied, confirmed or imposed on the Property, Rent or any interest therein or against Lessee or Lessor in connection therewith. Taxes and Expenses specifically exclude all income, estate, succession, inheritance, transfer or franchise taxes

imposed against Lessor, Rent paid to Lessor or Lessor's interest in the Land. However, if during the Lease Term, taxes in the nature of real or personal property ad valorem taxes are levied on Rent in lieu of all or any portion of the Taxes and Expenses that Lessee would otherwise be obligated to pay, such taxes will be included in Taxes and Expenses.

GG. The City. *The City* means the City of Oklahoma City, a municipal corporation.

HH. Utility Charges. *Utility Charges* means all charges for water, sewer, gas, heat, light, power, telephone service, electricity, refuse collection, and other utility and communication services rendered or used on or about all or any part of the Property and all other similar costs and expenses relating to the use, operation, and maintenance of the Property.

2. Lease of the Land.

2.1 Land. Subject to the terms of this Lease, Lessor hereby leases to Lessee, and Lessee hereby leases from Lessor, all of Lessor's right, title, and interest in and to the Land and any easements and rights appurtenant to it.

2.2 "As-Is." Lessee will be entitled to take possession of the Land on the Lease Effective Date. Lessee accepts the Land in its present condition and without any representation or warranty of any kind, express or implied, and subject to all defects and conditions, whether patent or latent, and subject further to all taxes, assessments, zoning, use permit requirements, building codes, and the like, based solely on Lessee's own inspection, analysis, and evaluation and not in reliance on any information provided by or on behalf of Lessor.

2.3 Billboard Location Agreements. Lessee acknowledges that the Land is subject to a Billboard Location Agreement between Lessor and Terry Brown and a Billboard Location Agreement between Lessor and Tyler Outdoor Advertising, LLC, both of which agreements will remain under Lessor's control unless and until the Lessee Site underlying such Billboard is sold to Lessee, at which time said Billboard Location Agreement shall be assigned, without cost, to Lessee.

3. Term; Option to Renew.

3.1 Lease Term. The initial term of this Lease (the "Lease Term") will begin on the Lease Effective Date and end at 11:59 p.m. on the calendar day prior to the 20th anniversary of such date, unless earlier terminated as provided for in this Lease.

3.2 Option to Renew. Provided that no Event of Default has occurred and is continuing, Lessee will have the right, at its sole option, to extend the Lease Term for eight (8) additional five-year terms, on the same terms and conditions as contained in this Lease except that Rent will be an appropriate negotiated amount as mutually agreed to by the Parties. Lessee will give Lessor Notice of its election to renew the Lease at least 90 calendar days prior to the expiration of the initial or prior term. If Lessee fails to timely deliver such Notice, then Lessee's right to exercise the applicable Renewal Term will expire and be of no further force and effect without any further action by either Party.

4. Rent; Operating Costs; Audit.

4.1 Rent. Lessee will pay Rent of One Hundred and 0/100ths Dollars (\$100.00) per acre then under lease per year during the Lease Term. Rent is due on the first day of each Lease Year.

4.2 Payment of Rent. Rent will be paid by Lessee to Lessor without prior notice, demand, setoff, counterclaim, abatement, deduction, defense or deferment. Lessee has no right to reduce, abate or defer Rent for any reason whatsoever.

4.3 Net Rent; Operating Costs. Rent will be net to Lessor throughout the Lease Term, and Lessee will be obligated to all incidents of ownership of the Property including payment of all expenses, costs, and disbursements of every kind and nature that Lessor would otherwise be obligated to pay because of or in connection with the ownership, maintenance, management, and operation of the Property and all appurtenances to it, including:

A. wages, salaries, bonuses, and vacation and severance pay of all employees directly engaged in development, construction, operation, maintenance or security of the Property, including all taxes, insurance, and benefits relating to employees providing such services;

B. all supplies and materials used in development, construction, operation, and maintenance of the Property;

C. all Utility Charges;

D. the cost of all maintenance and service agreements for the Property and the equipment located on it;

E. the cost of all insurance relating to the Property, including insurance related to the development and operation of the Improvements;

F. all Taxes and Expenses; and

G. the costs of all operation, repairs, general maintenance of the Property or any portion of it, and all landscape maintenance costs of the Land.

4.4 Delinquent Rent. All sums owed under this Lease that are not received by Lessor within ten calendar days after due will accrue interest at the rate of one and one-half percent (1 ½ %) per month until paid. The accrual of interest will not prejudice any other remedies that may be available to Lessor under this Lease or under any applicable Legal Requirement.

4.5 Books and Records; Audit Rights. Lessee must maintain books and records related to the Project as set out in the Development Agreement. Further, those books and records will be subject to Lessor's audit rights, also as set out in the Development Agreement.

5. Taxes and Expenses.

5.1 Payment; Right to Contest. Throughout the Lease Term, Lessee will pay or cause to be paid all Taxes and Expenses directly to the charging authority promptly as they become due, prior to the time penalties or interest attach to them and before nonpayment gives rise to a Lien on the Property. Lessor will have no responsibility of any kind with respect to any Taxes and Expenses. Lessee will have the right to contest in good faith any levy of Taxes and Expenses, in Lessor's or Lessee's name, as necessary, and Lessor will reasonably cooperate with Lessee regarding any such contest at no cost to Lessor but only to the extent permitted by the Economic Development Agreement.

5.2 Proration. All Taxes and Expenses that are payable during the first or the final year of the Lease Term, or any extended term, will be apportioned pro rata between Lessor and Lessee.

5.3 Refunds. Any refunds or rebates of Taxes and Expenses previously paid by Lessee pursuant to this Lease will belong to Lessee. Lessor will sign such receipts and other documents as may be reasonably requested by Lessee to obtain payment of such refunds.

5.4 Evidence of Payment. Within twenty business days after the date when any Taxes and Expenses are due and payable, Lessee will furnish to Lessor receipts or other appropriate evidence of payment of such Taxes and Expenses.

5.5 Lessee's Personal Property. Lessee is liable for all taxes levied or assessed against Lessee's Personal Property located on the Property.

6. Development of the Project and Construction of the Improvements.

6.1 Standard for Operations. By entering into this Lease, Lessor is relying on the experience and reputation of Lessee as the developer of first-class commercial and industrial projects. Lessee must develop, operate, and maintain the Property and construct the Improvements using the standards of care, skill, and diligence ordinarily provided by competent and similarly credential professional in the performance of services similar to those contemplated by this Lease. Lessee must operate and maintain the Property in a safe, skillful, diligent, and workmanlike manner, in strict conformity with this Lease and applicable Legal Requirements

6.2 Development Plan. Lessee will develop the Project, including construction of the Improvements, in substantial compliance with the Development Plan.

6.3 Existing Easements. Lessee acknowledges that the Land is subject to existing easements. At its expense or at the expense of the easement holder, Lessee may relocate or vacate such easements, in whole or in part.

6.4 Mutual Access and Utility Easements. If Lessee sells any Site as set out in the Section titled *Lessee's Purchase of Sites and Subsequent Sale or Lease of Sites*, Lessee will reserve unto itself and Lessor a non-exclusive easement for ingress and egress for vehicular and pedestrian traffic over and across all driveways constructed as part of the Project.

6.5 Easements Required for the Project. Lessee will secure the agreement with governmental authorities and public utility companies such easements over, under or across the Land that are reasonably necessary for the Project. Prior to construction, installation or use of the Improvements, Lessee will furnish Lessor with a survey showing the exact location of each proposed easement and the form of such proposed easement, both of which must be reasonably acceptable to Lessor. Upon Lessor's approval of such an easement, Lessor will execute and deliver the easement document to Lessee for filing of record with the Oklahoma County Clerk. Lessor will not incur any liability or out-of-pocket expense in its performance under this subsection.

6.6 Construction of the Improvements. At its expense, Lessee will construct the Improvements in accordance with the Development Plan, the Development Agreement, and this Lease. Lessee must commence construction of the Improvements within 180 calendar days after the Lease Effective Date. Lessee may not construct any improvements on the Land other than those generally described in the Development Plan without Lessor's Consent.

6.7 Consultation with Lessor. Through regular meetings (to be held no less often than monthly), Lessee must keep Lessor reasonably informed of all matters affecting the Property, including any matter that deviates in any way from normal operations.

6.8 Landscaping. At its expense, Lessee will install and maintain landscaping for the Project as set out in the Development Plan and will maintain all landscaped areas.

7. Lessee's Purchase of Sites and Subsequent Sale or Lease of Sites.

7.1 Lessee's Purchase of Sites. The Parties anticipate that Lessee will purchase unimproved Sites from Lessor as part of the Project. Upon closing the purchase of any unimproved Site by Lessee, such Site will then be a "Lessee's Site" and no longer subject to the terms and provisions of this Ground Lease except the provisions of this Section regarding a subsequent sale or lease of the Lessee's Site to a third party. As set out in the Development Agreement, any part of the Property purchased by Lessee from Lessor will remain subject to the Development Agreement and any part of the Property purchased by Lessee from Lessor and subsequently sold or leased by Developer to a third party will remain subject to the Development Agreement for the duration of the term of the Development Agreement.

Lessee may only purchase Sites with Lessor's Consent. All purchases of Sites by Lessee from Lessor are subject to the following:

A. No Default. Lessee may not purchase a Site if Lessee is then in default under this Lease beyond the applicable cure period.

B. Size of Sites Purchased. Lessee may only purchase Sites comprised of not less than 25 acres and not more than 150 acres unless Lessee demonstrates to Lessor, in Lessor's sole discretion, that the purchase of a Site less than 25 acres or larger than 150 acres is warranted under the circumstances.

C. Timing of Purchases. Upon closing the purchase of a Site, Lessee may not purchase another Site for six months unless agreed to by Lessor, in its sole discretion.

D. Purchase Price. For any unimproved Site: (i) purchased by Lessee; (ii) purchased by Lessee's Group; (iii) sold by Lessee's Group to a third party; or (iv) sold by Lessor directly to a third party, the Lessor shall receive an amount equal to the greater of: (x) twenty-five percent (25%) of the purchase price as set forth in the applicable purchase and sale agreement ("Lessor's Share"); or (y) or \$24,000 per acre.

In each such transaction where the purchase price is determined to be calculated pursuant to subsection 7.1(D)(x) hereof, the Lessee shall receive the remaining seventy-five percent (75%) of the purchase price ("Lessee's Share"). Should the purchase price of any unimproved site be less than \$96,000 per acre, Lessee's Share shall be reduced by any amount to bring Lessor's Share to \$24,000 per acre. For example, if an unimproved Site is sold for \$72,000 per acre, Lessor's Share shall be \$24,000 per acre and Lessee's Share shall be \$48,000 per acre.

Further, in the event that Lessee or Lessee's Group purchases an unimproved Site and subsequently sells same (without improvements) to a third party, Lessor shall be entitled to receive at the time of such subsequent sale an additional amount, if any, equal to Lessor's Share *less* the amount received by Lessor in the initial (prior) sale.

E. Subsequent Sale or Lease of Lessee's Site to a Third Party. If Lessee intends to sell or lease the Lessee's Site to a third party, Lessee must notify Lessor of: (1) the identity of that third party; (2) that third party's financial data indicating sufficient financial worth to comply with the obligations for the Project; (3) the nature of business and intended use of the Site by the third party. If Lessor consents to Lessee's purchase of a Site and Lessee's subsequent sale or lease of that Site to a third party, Lessee must secure an agreement in form and substance acceptable to Lessor and executed, acknowledged and delivered to

Lessor such: (1) that the third party adopts the Development Agreement and agrees to perform all of the obligations of Developer under the Development Agreement; (2) that the third party agrees to use and occupy the Site for purposes consistent with the Project and otherwise in strict accordance with the Development Agreement; and (3) such Sublessee acknowledges and agrees that OIA will be entitled to enforce the Development Agreement against that third party without prior demand upon or proceeding in any way against any other persons.

If Lessee wishes to purchase a Site from Lessor, Lessee must send Notice to Lessor. Such notice must include: (1) the Site proposed for purchase; (2) the proposed closing date; (3) the purchase price; and (4) if applicable, the required information regarding the third party to whom Lessee intends to sell or lease the Site. If the Lessee notifies Lessor that Lessee intends to sell or lease the Site to a third party, Lessor's grounds to disapprove of the purchase by Lessee include that (1) the third party does not have sufficient financial worth to comply with the obligations for the Project; (2) in Lessor's reasonable discretion, the third party's intended use of the Site would diminish the value or reputation of the Project; or (3) the third party's use of the Site would conflict with any other Project tenant's exclusive rights.

Lessor will determine whether it consents to the proposed sale within 30 calendar days and will notify Lessee of its determination. If Lessor agrees to the sale, Lessor will deliver a Special Warranty Deed to the Site to Lessee upon Lessee's payment of the agreed-to purchase price.

8. Sublease of Sites.

8.1 Right to Sublease; Lessor's Consent. The Parties anticipate that Lessee will sublease Sites to third parties as part of the Project. Lessee may not sublease a Site without Lessor's Consent except for subleases to a Related Entity, as defined below. Further, Lessee may not sublease a Site if Lessee is then in default under this Lease beyond the applicable cure period. Upon determining that Lessee wishes to sublease a Site to a third party, Lessee must send Notice to Lessor. Such notice must include: (1) the identity of the proposed Sublessee; (2) the proposed Sublessee's financial data indicating sufficient financial worth to comply with the obligations under this Lease (and the proposed Sublease); (3) the nature of business and intended use of the Site; and (4) the term of the proposed Sublease. Lessor will not unreasonably withhold, condition or delay its consent to any proposed Sublessee, provided that the following are, without limitations, grounds for Lessor's denial: (1) the proposed Sublessee does not have sufficient financial worth to comply with the obligations under this Lease (and the proposed Sublease); (2) in Lessor's reasonable discretion, the proposed Sublessee's use of the Site would diminish the value or reputation of the Project; or (3) the proposed Sublessee's use of the Site would conflict with any other Project tenant's exclusive rights.

8.2 Sublease requirements. Each Sublease must: (1) be on a form approved by Lessor and with all changes to that form approved by Lessor; (2) specifically state that such Sublease is subject to all approved zoning ordinances, covenants, restrictions, and applicable Legal Requirements; (3) specifically incorporate and state that it is subject to this Ground Lease; (4) state that such Lease will survive termination of this Lease and will continue in full force and effect as a lease of Lessor's estate in the Property provided that each such Sublessee is not in default under its Sublease; and (5) contain a provision whereby the Sublessee agrees to attorn to Lessor in the event this Lease is terminated.

8.3 Agreement for the Benefit of Lessor. No Sublease will be effective until the Sublessee executes, acknowledges, and delivers to Lessor an instrument in form and substance acceptable to Lessor in which: (1) such Sublessee adopts this Ground Lease and assumes and agrees to perform, jointly and severally with Lessee, all of the obligations of Lessee under this Lease; (2) such Sublessee agrees to use and occupy the subleased Site for purposes consistent with the Project and otherwise in strict accordance with this Lease; and (3) such Sublessee acknowledges and agrees that, notwithstanding such subletting, Lessee remains directly and primarily liable for the performance of all obligations of Lessee under this Lease (including the obligation to

pay Rent) and that Lessor will be entitled to enforce this Lease against Lessee or such Sublessee or both, without prior demand upon or proceeding in any way against any other persons.

8.4 Effect of Sublease. Lessor's consent to a Sublease will not be deemed in any manner to be a consent to a use inconsistent with the Project. Any consent by Lessor to a particular Sublease will not constitute Lessor's consent to any other or subsequent Sublease, and any proposed Sublease will be subject to the provision of this subsection.

8.5 Delivery of Sublease to Lessor. If Lessor consents to a Sublease, Lessee must promptly deliver to Lessor a fully executed copy of the final Sublease.

8.6 Sublease to a Related Entity. Notwithstanding anything in this Section to the contrary, Lessee may, without Lessor's prior written consent, but upon 30 calendar days prior notice to Lessor, to sublease a Site, in whole or in part, to a Related Entity. Any such Related Entity will have the same rights and duties as Lessee under this Lease, provided only that there is no material change in the use of the Property by such Related Entity. Notwithstanding the foregoing, a Sublease pursuant to this subsection is prohibited unless the Related Entity has a net worth and working capital in amounts sufficient to assure the future performance by such Related Entity of Lessee's obligations under this Lease. Lessee will remain liable for Lessee's obligations under this Lease notwithstanding a Sublease to a Related Entity.

8.7 Default by Lessee. Upon the occurrence of an Event of Default or Default (as defined below) by Lessee which remains uncured, Lessor may, in its sole discretion, negotiate with such Sublessee a direct lease between Lessor and the Sublessee if such Sublessee wishes to remain a tenant of the Property.

9. Title to the Improvements; Lessee's Personal Property.

9.1 Title to the Improvements. During the Lease Term, title to the Improvements and any alteration, change or addition to any part of the Improvements remaining subject to this Lease, will remain solely in Lessee. On the termination of this Lease, the Improvements then still owned by Lessee will be and become the property of Lessor, free from any Liens or claims whatsoever by Lessee, without any compensation therefor from Lessor to Lessee. Notwithstanding the foregoing, on the termination of this Lease, Lessor may elect, upon Notice to Lessee, that the Improvements will be demolished and removed by Lessee from the Land at Lessee's sole expense. Lessee may not remove any part of the Improvements, commit or permit any waste or destroy or modify any part of the Improvements except as permitted by this Lease.

9.2 Lessee's Personal Property. During the Lease Term, all of Lessee's Personal Property will be Lessee's property and will remain Lessee's property upon the termination of this Lease. Lessee is solely responsible for all of Lessee's Personal Property that Lessee places in or on the Property. Lessor will not be liable to Lessee for any loss or damage to Lessee's Personal Property, except for any loss or damage resulting solely and directly from Lessor's gross negligence or willful misconduct.

10. Condition, Maintenance, and Repair. Throughout the Lease Term, Lessee must maintain the Property in good and clean order and condition, ordinary wear and tear excepted, and must promptly make all necessary or appropriate repairs, renewals, and replacements, whether structural or nonstructural, ordinary or extraordinary, foreseen or unforeseen. All repairs, replacements, and renewals must be reasonably equal in quality to the original Improvements. Lessee will do or cause others to do all acts necessary or appropriate for the preservation and safety of the Property by reason of or in connection with any excavation or other building operation on any of the Property, whether or not Lessee or Lessor are subject to any Legal Requirement to take such action or might be liable for failure to do so. Lessee's obligations for maintenance include replacement of components of the Improvements at such time as further

repair would be impractical and include any modification, improvement or alteration required in order that the component of the Improvements in question remains in full compliance with Legal Requirements. The obligations under this Section will be performed at Lessee's expense. Lessor will not be required to maintain, alter, repair, rebuild or replace all or any part of the Property in any way.

11. Alterations to the Improvements; Demolition. During the Lease Term, Lessee may demolish, remove, replace, alter, relocate, reconstruct or add to all or any part of the Improvements, provided the value of the Improvements following completion of any such action by Lessee is comparable to the value of the Improvements prior to commencement of Lessee's work. Salvage of the Improvements resulting from such demolition, removal, replacement, alteration, relocation, reconstruction or addition during the Lease Term will be Lessee's property. Rent will not abate during the course of any such action by Lessee.

12. Utilities and Utility Charges. At Lessee's expense, Lessee will obtain all water, sewer, gas, heat, light, power, telephone service, electricity, refuse collection, and other utility and communication services for the Property. Throughout the Lease Term, Lessee will pay all Utility Charges before they become delinquent, and Lessor will have no obligation with respect to such Utility Charges.

13. Legal Requirements; Permits.

13.1 Legal Requirements. At Lessee's expense, Lessee will comply with all Legal Requirements (other than those that are applicable solely to Lessor and not related to the ownership of the Property) throughout the Lease Term. Lessor will have no responsibility of any kind with respect to compliance with any Legal Requirement applicable to the Property. Within ten business days after Lessor's written request, Lessee will furnish to Lessor such Permits, orders, certificates or other documents as might be reasonably requested by Lessor to evidence compliance with Legal Requirements applicable to the Property. At Lessee's expense, Lessee may contest the validity or application of any Legal Requirement to the Project by diligent pursuit of appropriate legal proceedings.

13.2 Permits. Lessee must obtain and maintain all Permits and any renewals, extensions or continuances of those Permits required in connection with the lawful and proper operation of the Property. Lessee must take all actions necessary to renew, maintain, and protect such Permits necessary for the continued operation of the Property, and may not take any action that could in any way interfere with or jeopardize any Permit, the loss or suspension of which would have a material adverse effect on the operation of the Property. At Lessee's expense, Lessor will join in the application for such Permits whenever such action is reasonably necessary and requested by Lessee.

14. Use; Quiet Enjoyment.

14.1 Use. Lessee may occupy and use the Property only for the uses set out in this Lease and the Development Agreement or such other uses as are approved in writing by Lessor, subject to all Legal Requirements. Lessee may not use and may not knowingly permit any Person to use the Property for: (1) any unlawful or illegal business, use or purpose; (2) any business, use or purpose that is immoral, disreputable or extremely hazardous; or (3) any use that constitutes a public or private nuisance of any kind, all to be determined in Lessor's sole discretion.

14.2 Quiet Enjoyment. Until there is an Event of Default, Lessor warrants the peaceful and quiet occupation and enjoyment of the Property by Lessee, free and clear of interference by Lessor or any Person claiming under Lessor.

15. Entry and Inspection by Lessor.

15.1 Right of Entry for Utility Service. Lessor reserves for itself, The City, and any public utility company, as may be appropriate, the unqualified right to enter upon the Property at all reasonable times for the purpose of reconstructing, maintaining, repairing or servicing the public utilities located within the Land's boundary lines, all at Lessor's sole cost and expense or the cost and expense of The City or applicable public utility. Such entrance or performance of work by Lessor or The City may not unreasonably interfere with the operations on the Property.

15.2 Construction over Utility Easements. Lessee will not construct any building or other structure or improvements on, over or within the boundary lines of any easement for public utilities, unless such construction is provided for in such easement or has been approved by The City.

15.3 Entry and Inspection by Lessor. Lessor (and its agents, consultants, and representatives) may enter and inspect the Property at any time in case of an emergency and otherwise at all reasonable times with prior reasonable Notice for purposes of inspecting the condition of the Property, verifying Lessee's compliance with this Lease, and performing Lessee's obligations as provided for in this Lease if Lessee fails to do so. Lessor does not have a duty to make any such inspection, and Lessor will not incur any liability or obligation with respect to any state of facts that is or might have been discovered by reason of any such inspection. Lessee will not be entitled to any abatement or reduction of Rent by reason of any such entry. The costs of any such inspection will be paid by Lessor unless a violation of applicable Legal Requirements is found to exist or be imminent or the inspection is ordered by a governmental authority. In such case, Lessee will reimburse Lessor for the reasonable costs of such inspections.

16. Representations and Warranties.

16.1 Lessor's Representations and Warranties. As an inducement to Lessee to enter into this Lease, Lessor represents and warrants to Lessee as follows:

A. Due Organization; Power and Authority. Lessor is a public trust established pursuant to 60 Okla. Stat. 176, *et seq.* Lessor is validly existing and in good standing under the laws of the State of Oklahoma and has full and requisite power and authority to execute and deliver this Lease and to carry out their obligations under it.

B. Authority Relative to this Lease. The execution, delivery, and performance of this Lease by Lessor have been duly and effectively authorized in accordance with Lessor's organizational documentation.

C. Enforceability of this Lease. This Lease is valid, binding, and enforceable against Lessor in accordance with its respective terms, subject to applicable bankruptcy, reorganization, insolvency or other similar laws affecting the enforcement of creditors' rights generally.

D. No Third-Party Approval Required. No approval of any third party is required for Lessor's execution and performance of this Lease that has not been obtained prior to execution of this Lease.

E. No Conflicts. The execution, delivery, and performance of this Lease by Lessor does not: (1) violate any judicial or governmental decree, order or judgment; (2) violate any applicable Legal Requirement; (3) conflict with Lessor's organizational documentation; or (4) result in a breach of or constitute a default under, any agreement or instrument to which Lessor is a party or by which Lessor or the Property is bound.

F. No Mortgages. As of the Lease Effective Date, there are no mortgages granted by Lessor covering the Land.

16.2 Lessee's Representations and Warranties. In addition to any other representation and warranty contained elsewhere in this Lease and as an inducement to Lessor to enter into this Lease, Lessee represents and warrants to Lessor as follows:

A. Due Organization; Power and Authority. Lessee is an Oklahoma limited liability company, validly existing and in good standing under the laws of the State of Oklahoma and has full and requisite power and authority to execute and deliver this Lease and to carry out its obligations under it.

B. Authority Relative to this Lease. The execution, delivery, and performance of this Lease by Lessee has been duly and effectively authorized in accordance with Lessee's organizational documentation.

C. Enforceability of this Lease. This Lease is valid, binding, and enforceable against Lessee in accordance with its respective terms, subject to applicable bankruptcy, reorganization, insolvency or other similar laws affecting the enforcement of creditors' rights generally.

D. No Third-Party Approval Required. No approval of any third party is required for Lessee's execution and performance of this Lease that has not been obtained prior to execution of this Lease.

E. No Conflicts. The execution, delivery, and performance of this Lease by Lessee does not: (1) violate any judicial or governmental decree, order or judgment; (2) violate any applicable Legal Requirement; (3) conflict with Lessee's organizational documentation; (4) result in a breach of or constitute a default under, any agreement or instrument to which Lessee is a party or by which Lessee is bound; or (5) result in the creation of any Lien on the Property.

F. Experience and Expertise. Lessee possesses a high level of experience and expertise in the management and operation of properties of similar or like size, complexity, and nature of the Project.

G. Standard of Care. Lessee will act in its professional capacity, in the best interests of the Project, exercising the care, skill, prudence, and diligence normally provided by competent professionals practicing in Lessee's profession providing similar services on projects similar in scope contemplated by this Agreement. Lessee represents and covenants that the work contemplated by this Agreement will be performed in a safe, skillful, diligent, and workmanlike manner, in strict conformity with Lessor's specifications and requirements and in compliance with applicable Legal Requirements. At its own expense and risk, Lessee will furnish all labor, material, equipment, tools, transportation, and other items necessary for the safe performance of such work.

H. Lessee's Employees. Lessee will at all times maintain and enforce strict discipline and good order among its personnel. Lessor may request that Lessee remove any of Lessee's personnel who Lessor, in its sole discretion, with or without cause, desires to have removed or prohibited from the Project. Lessee will promptly comply with such request and provide a suitable replacement at Lessee's expense.

I. Solvency. Lessee is financially solvent, able to pay its debts as they mature, and possesses sufficient working capital to complete its obligations under this Lease.

J. Licenses. To the extent required by applicable Legal Requirements, Lessee is authorized to do business in Oklahoma City, Oklahoma County, Oklahoma and is properly licensed by all necessary governmental, public and quasi-public authorities having jurisdiction over it and over the work to be provided by Lessee and will maintain all such authorizations and licenses.

K. No Violations or Defaults. Lessee is not in violation of its organizational documents. To Lessee's knowledge, there exists no condition that constitutes, and no condition that could reasonably be expected to constitute or would constitute, an event of default or event of acceleration under any material agreement to which Lessee is a party or that could reasonably be expected to have a material adverse impact on the Project, Lessee or Lessee's ability to perform its obligations under this Lease. Lessee is not in default under any term of any material agreement or instrument to which it is a party or by which it is bound or any order, judgment, decree or ruling of any court, arbitrator or governmental authority, and is not in violation of any applicable Legal Requirement of any governmental authority that could reasonably be expected to have a material adverse impact on the Project, Lessee or Lessee's ability to perform its obligations under this Lease.

L. No Actions, Suits or Proceedings. There are no actions, suits or proceedings pending or, to Lessee's knowledge, threatened against or affecting Lessee or Lessee Group in any court or before any arbitrator of any kind or before or by any governmental authority that individually or in the aggregate could reasonably be expected to have a material adverse impact on the Project, Lessee or Lessee's ability to perform its obligations under this Lease.

During the Lease Term, Lessee must promptly send Notice to Lessor of any the occurrence of any matter or the existence of any condition that would have constituted a breach of a representation or warranty made by Lessee in this Lease had such matter occurred or been in existence as of the Lease Effective Date.

17. No Discrimination. Lessee covenants and agrees for itself, its successors and assigns, and every successor in interest to this Lease or the Property (or any part of it) that Lessee and its successors and assigns will not discriminate upon the basis of race, color, creed, national origin, religion or politics in the sale, lease, rental, use or occupancy of the Property (or any part of it).

18. Force Majeure Events. "Force Majeure Event" means an unforeseen occurrence that: (1) occurs after the Lease Effective Date; (2) is not within the reasonable control of the Affected Party; (3) is not caused by the negligence or fault of the Affected Party; (4) is not the result of any failure of the Affected Party to perform any of its obligations under this Lease; and (5) could not have been prevented, overcome or mitigated by the Affected Party's exercise of due care or foresight. Force Majeure Events include natural disasters, significant damage caused by fire or other casualty, national or regional strikes by Persons other than the Affected Party's personnel, and weather conditions that actually prevent the Affected Party's performance under this Lease for more time than could have been reasonably anticipated. If any Party is unable, in whole or in part, to perform its obligations under this Lease due to a Force Majeure Event, that Party (the "Affected Party") will be excused from its performance, but only to the extent and for the period of time that it is affected by the Force Majeure Event, provided it complies with the requirements in this Section. The Affected Party must send Notice to the other Party of the Force Majeure Event as soon as reasonably possible, but not later than ten business days after the commencement of the event, specifying all relevant facts related to the Force Majeure Event including its estimated duration, the probable impact on the Affected Party's performance, and the Affected Party's recovery plan. Further, the Affected Party must: (1) keep the other Party reasonably informed of all recovery efforts; (2) as soon as possible and to the maximum extent possible, remedy the Force Majeure Event and mitigate all consequences of it; and (3) fulfill all its obligations under this Lease that are not directly affected by the Force Majeure Event. The burden of proof as to whether a Force Majeure Event has occurred and the associated relief will be on the Affected Party. A Force Majeure Event does not excuse the payment of monies when due or the fulfillment

of indemnification or insurance obligations under this Lease. This Section does not require the Affected Party to settle a strike or labor dispute except in accordance with applicable Legal Requirement.

19. Liens.

19.1 Prohibited Liens. At all times during the Lease Term, Lessee will keep the Property free and clear of all liens and claims of liens for labor, services, materials, supplies, equipment or the like performed on or furnished to the Property (collectively, “Liens” and each a “Lien”) other than: (1) the leasehold estate created by this Lease and the rights, if any, of the present and future Sublessees of Lessee under this Lease; (2) Leasehold Mortgages; and (3) Liens for Taxes and Expenses not yet due or payable. In the event of the filing of any Lien against Lessor, all or any portion of the Property or Lessor’s interest under this Lease, Lessee will cause such Lien to be discharged of record at Lessee’s expense within 30 calendar days after Notice from Lessor of the filing of it. If Lessee fails to do so, Lessor may pay, adjust, compromise, and discharge any such Lien on such terms and in such a manner as Lessor deems appropriate. In that event, Lessee must, on or before the first calendar day of the next calendar month following the payment by Lessor, reimburse Lessor for the full amount paid by Lessor in paying, adjusting, compromising, and discharging the Lien or claim of Lien, including any attorneys’ fees and other costs expended by Lessor plus interest at the rate of one percent (1 %) per month until paid.

19.2 Provisions regarding Liens in Construction Agreements and the Like. Lessee will cause all agreements entered into for construction of the Improvements with Lessee’s architects, engineers, general contractor, and other contractors and suppliers to provide that Lessor will not be liable for any work performed or to be performed for the Project or for any materials furnished or to be furnished for the Project.

19.3 Lien Waiver Process Required. Lessee will require a process by which Partial and Final Lien Waivers (in a form acceptable to Lessor) are required from Lessee’s architects, engineers, general contractor (and all of its subcontractors and suppliers), and other contractors and suppliers throughout construction of the Improvements as the redevelopment progresses and as work (or portions of work) by each such party is completed.

20. Assignment and Binding Effect.

20.1 Assignment by Lessee. Lessee may not sell, convey, transfer or assign all or any portion of Lessee’s interest in this Lease, in whole or in part, by assignment or operation of law, and may not assign any of its rights or delegate any of its obligations under this Lease without Lessor’s Consent. An assignment or delegation in violation of this Section will be null, void, and of no effect. Lessor may require as conditions to its consent to any assignment that:

A. any proposed assignee has the qualifications and financial responsibility, as determined by Lessor, necessary and adequate to fulfill Lessee’s obligations under this Lease;

B. any proposed assignee of all or any part of the interest of Lessee under this Lease or all or any portion of Lessee’s interest in the Improvements delivers to Lessor an agreement in writing whereby such assignee assumes the full performance of all of Lessee’s obligations under this Lease for so long as such assignee is the holder of all or any portion of Lessee’s interest under this Lease;

C. all instruments and other legal documents involved in effecting the assignment will be submitted to Lessor for review and approval.

20.2 Assignment by Lessor. Lessor may sell, convey, transfer, pledge, encumber, and assign all or any portion of Lessor’s interest in this Lease or the Land, in whole or in part, by assignment or operation of

law, and may assign any of its rights or delegate any of its obligations under this Lease at any time without Lessee's Consent. Lessee will accept and attorn to the transferee of Lessor's interest under this Lease as if such transferee had been the party named as the original Lessor in this Lease, provided that such transferee agrees to not disturb Lessee's possession of the Property or its interest under this Lease so long as there is no Event of Default.

20.3 Binding Effect. To the extent that there are successors or assigns permitted under this Section, this Lease will be binding on and benefit the Parties and their respective successors and assigns. All Persons to whom any interest in this Lease, the leasehold estate hereby created, the Land or the Improvements might be transferred in accordance with the terms of this Lease will, by accepting such transfer, be bound by this Lease to the same extent as if such transferee had been an original party to it.

20.4 No Effect on Right to Sublease or Sell. The restrictions on Lessee's rights in this Section do not apply to Lessee's right to sublease a Site or to sell a Site after having purchased it, as set out in the Sections titled *Sublease of Sites* and *Lessee's Purchase of Sites and Subsequent Sale or Lease of Sites*.

21. Insurance.

21.1 Required Policies. Lessee must obtain and at all times during the Lease Term maintain insurance policies ("Lessee's Policies") of the types and with the minimum limits set out on Exhibit B, Lessee's Insurance Requirements. Lessee's Policies must:

A. be issued by solvent and reputable insurance companies that are licensed to do business in Oklahoma and that have at least an AM Best Rating of A-;

B. to the extent allowed by applicable Legal Requirement, name Lessor as an additional insured (except for workers' compensation and employer's liability);

C. to the extent allowed by applicable Legal Requirement, waive all rights of subrogation by Lessee and its insurers, regardless of fault, against the Lessor and its insurers;

D. be primary to and receive no contribution from any other insurance or self-insurance program maintained by, on behalf of or benefitting Lessee; and

E. require 30 business days' prior notice to Lessor before Lessee's Policies are cancelled, allowed to lapse or materially changed.

Lessee must provide copies of Lessee's Policies to Lessor upon request.

21.2 Certificates of Insurance. On or before the Lease Effective Date, Lessee must deliver to Lessor an industry-standard certificate(s) of insurance evidencing the insurance in effect at that time. Further, annually on the anniversary date of the Lease Effective Date, at each renewal or change in Lessee's Policies, and whenever otherwise requested by Lessor, Lessee must deliver to Lessor certificates of insurance stating that Lessee's Policies are in effect.

21.3 Effect of Lessee's Policies on Lessee's Liabilities and Obligations. The designation of the types and minimum limits for Lessee's Policies in this Section or the financial failure of an insurer will not, in any way, limit Lessee's liabilities and obligations under this Lease except to the extent prohibited or required by applicable Legal Requirement. Further, Lessee's obligations under this Section are independent of its other obligations under this Lease and will not in any way limit any such other obligations, including Lessee's indemnity and defense obligations in this Lease.

21.4 Effect of Loss or Damage. Any loss or damage by fire or other casualty of or to any of the Improvements at any time will not operate to terminate this Lease or to relieve or discharge Lessee from the payment of Rent or from the performance and fulfillment of any of Lessee's obligations under this Lease. No acceptance or approval of any insurance agreement by Lessor will relieve or release or be construed to relieve or release Lessee from any liability, duty or obligation under this Lease.

21.5 Proof of Loss. Whenever the Improvements or any part of them are damaged or destroyed, Lessee must promptly make proof of loss in accordance with Lessee's Policies and must promptly proceed to collect or cause to be collected all valid claims that may have arisen against insurers or others based on any such damage or destruction.

21.6 Periodic Review of Insurance. Lessee will conduct periodic review and analyses of the adequacy of Lessee's Policies as often as significant valuation or construction changes occur, to be at least annually. After each such review, Lessee must promptly forward a report of the results of each such review along with any recommended action or changes to Lessor.

22. Damage; Destruction.

22.1 Notice. In the case of damage to the Improvements that would cost in excess of Two Hundred Fifty Thousand Dollars (\$250,000.00) to repair, Lessee will promptly send Notice to Lessor of the nature and extent of the casualty.

22.2 Restoration. If the Improvements are damaged or destroyed during the Lease Term, as soon as reasonably practicable after the casualty, Lessee must, at its discretion, either restore the Improvements as nearly as possible to the condition that existed immediately prior to such damage or destruction or clear the Land of such Improvements. Lessee will not be entitled to any setoff, counterclaim, abatement or deduction in Rent or to any termination of or extension of the Lease Term as a result of deprivation or limitation of use of the Improvements occasioned by any casualty or by repairs or replacements required by this Section.

22.3 Insurance Proceeds. Subject to the requirements of any Leasehold Mortgage, insurance proceeds will be applied to payment of the costs of restoration as such costs are incurred. After full payment of all costs of restoring the Improvements, any balance of the insurance proceeds will be paid to Lessee.

23. Eminent Domain.

23.1 Total Taking. If, during the Lease Term, title to all of the Property is taken as a result of the exercise of the power of eminent domain or by purchase in lieu of it, this Lease will terminate on the date of vesting of title to the Property in the condemning authority.

23.2 Partial Taking. If, during the Lease Term, title to less than all of the Property is taken as a result of the exercise of the power of eminent domain or by purchase in lieu of it, this Lease will not terminate but will continue in full force and effect for the remainder of the Lease Term with respect to that portion of the Property that is not the subject of the taking. The Rent will be reduced in the same proportion that the value of the portion of the Property taken bears to the full value of the Property at that time, as reasonably determined by Lessor, and taking into account the provisions of Section 4 of this Ground Lease. All compensation and damages payable by reason of the taking of any of the Improvements (but not the Land) will be available to and used, to the extent reasonably needed, by Lessee to replace the Improvements so taken to the extent practicable under then existing Legal Requirements with improvements of the same type on the remaining portion of the Land. However, should such Improvements taken by eminent domain or by purchase in lieu of it result in a net loss of one-half or more of the Improvements, after taking into consideration such

improvements that could reasonably be constructed on the remaining portion of the Land, Lessee may terminate this Lease as set out in subsection 3 of this Section.

23.3 Termination for Partial Taking. Lessee may terminate this Lease for the reasons stated in subsection 2 of this Section by sending Notice to Lessor within 90 calendar days after Lessee has been deprived of the actual physical portion of the Property taken by eminent domain or purchase in lieu of it. This Lease will terminate as of 12:01 a.m. on the first calendar day of the calendar month following the calendar month in which the Notice of termination is served on Lessor. The Property must then be surrendered to Lessor as provided by the Section titled *Surrender*. Upon such termination, all subleases and subtenancies (if any) on the Property created by Lessee will also terminate. However, Lessor may, as its option, notify any Sublessee to attorn to Lessor and then continue such Sublessee's occupancy as Lessor's tenant. On termination of this Lease pursuant to this subsection, Lessor and Lessee will be released from all future obligations under this Lease except those specified in subsections 4 and 5 of this Section.

23.4 Apportionment of Award. Any compensation or damages awarded or payable because of the taking of all or a portion of the Property by eminent domain or purchase in lieu of it will be allocated between Lessor and Lessee as follows:

A. All compensation or damages awarded or payable for the taking by eminent domain of the Land will be paid to and be the sole property of Lessor, free and clear of any Claim by Lessee or any Person claiming rights to the Property through Lessee.

B. All compensation or damages awarded or payable for the taking by eminent domain of the Improvements (or any part of them) and when Lessee is not entitled to or does not terminate this Lease will be applied as set out in subsection 2 of this Section toward the replacement of the Improvements (or applicable part of them) with equivalent new Improvements.

C. All compensation or damages awarded or payable for the taking by eminent domain of the Improvements (or any part of them) when this Lease is terminated because of such taking, whether all or a portion of the Property is taken, will be allocated between Lessor and Lessee as follows:

1. That portion of the compensation or damages for the taking of the Land will belong to and be the sole property of Lessor.

2. That percentage of the compensation or damages for the taking of the Improvements that equals the percentage of the unexpired portion of the Lease Term at the time of the taking will belong to and be the sole property of Lessee. The time of taking will be 12:00 a.m. on the date title is taken by the agency or entity exercising eminent domain.

23.5 Participation in Proceedings. Lessor, Lessee, and the holder(s) of any mortgage on Lessor's interest will each have the right at their respective expense to participate in any proceeding seeking to take all or any portion of the Property and in any applicable appeals therefrom.

24. Leasehold Mortgages.

24.1 Lessee's Mortgages. From time to time during the Lease Term, Lessee may execute one or more Leasehold Mortgages without Lessor's Consent, provided that all rights of any Leasehold Mortgagee will be subject to all of the terms of this Lease and inferior to all rights of Lessor under this Lease. Such Leasehold Mortgages may secure Lessee's obligations to leasehold mortgage lenders by various security documents encumbering Lessee's leasehold interest under this Lease Agreement and Lessee's leasehold interest in the Property, or a portion thereof, and title to any improvements thereon, including, but not limited to, a leasehold

mortgage, security agreement, assignment of leases and rents, and financing statement. Lessee may not encumber Lessor's estate and all liens, mortgages, and other claims against Lessee and Lessee's estate in the Land will be subordinate to Lessor's rights. Nothing in this Section will be deemed to waive or impair any right or remedy that Lessor may have upon a Default by Lessee.

24.2 Rights of the Mortgagee. If a Leasehold Mortgagee notifies Lessor or Lessee sends Notice to Lessor in writing of the name and address of the Leasehold Mortgagee and provides to Lessor a true and correct copy of the Leasehold Mortgage and the note secured by it, then so long as the Leasehold Mortgage remains of record the following provisions will apply:

A. Mortgagee's Time to Cure. Lessor will provide a copy of any Notice, including a notice of Default, provided to Lessee under the terms of this Lease to the Leasehold Mortgagee at the address provided to Lessor as set out above, and no Notice by Lessor to Lessee under this Lease will be deemed to have been duly given unless and until a copy of it has been given to the Leasehold Mortgagee. If the Leasehold Mortgagee remedies the Default within 30 calendar days following the time for Lessee to cure such Default, Lessor will accept such performance as if the performance had been rendered by Lessee.

B. Postponement of Termination. In the event of prospective termination of this Lease by reason of Lessee's Default, the Leasehold Mortgagee will have the right to postpone such prospective termination by taking immediate and successful action to acquire Lessee's interest under this Lease by foreclosure of the Leasehold Mortgage, provided that the Leasehold Mortgagee: (1) gives written notice of intent to exercise its rights under this Lease to Lessor within ten calendar days after receipt of notice of termination of this Lease; (2) cures all Defaults reasonably susceptible of being cured by the Leasehold Mortgagee within 30 calendar days following receipt of such notice; and (3) diligently pursues to completion action to foreclose the Leasehold Mortgage. If the Leasehold Mortgagee takes such action and subsequently acquires all of Lessee's interest under this Lease, Lessor agrees that the Leasehold Mortgagee may be substituted as Lessee under this Lease. Lessor and the Leasehold Mortgagee will then be bound by the terms of this Lease as if they had been, respectively, the original parties named as Lessor and Lessee in this Lease.

C. New Lease. In the event of termination of this Lease by reason of an Event of Default, Lessor will enter into a new lease with the Leasehold Mortgagee for the remainder of the Lease Term, effective on the date of such termination, provided: (1) the Leasehold Mortgagee makes written request of Lessor for a new lease within 30 calendar days after the date of termination, and the written request is accompanied by payment to Lessor of all amounts then due to Lessor under this Lease; (2) the Leasehold Mortgagee pays to Lessor at the time of execution and delivery of the new lease, all amounts that would be due at the time of execution and delivery of the new lease pursuant to this Lease but for such termination; (3) the Leasehold Mortgagee reimburses Lessor for any expenses (including reasonable attorneys' fees) incurred by Lessor by reason of the Event of Default; and (4) the Leasehold Mortgagee acts to remedy any other failure of Lessee to perform the terms of this Lease reasonably susceptible of being remedied by the Leasehold Mortgagee. The new lease will be effective on the date of termination of this Lease and will be for the remainder of the Lease Term at the Rent and upon all the agreements, terms, covenants, and conditions contained in this Lease. If more than one Leasehold Mortgagee makes written request to Lessor for a new lease, the new lease will be entered into pursuant to the request of the Leasehold Mortgagee whose mortgage will be prior, and thereupon the written request for a new lease of each other Leasehold Mortgagee will be deemed to be void and of no force and effect.

D. Confirmation. Within ten business days after Lessee's request, Lessor will execute and deliver to each Leasehold Mortgagee a certificate reflecting the agreement of Lessor, Lessee, and the Leasehold Mortgagee to comply with the terms of this Section. Lessee will bear the expense of preparation of any such certificate.

25. Default; Remedies; Termination.

25.1 Events of Default by Lessee. The following events will be deemed to be a “Default” by Lessee under this Lease:

- A. failure to pay any Rent or other sums payable by Lessee under this Lease when such sums become due; or
- B. failure to comply in any material respect with any term of this Lease or the Development Agreement; or
- C. abandonment of any material portion of the Property;
- D. the filing by or against Lessee of any proceeding under the Federal Bankruptcy Act or any similar law; or
- E. the adjudication of Lessee as bankrupt or insolvent in proceedings filed under the Federal Bankruptcy Act or any similar law; or
- F. the making by Lessee of an assignment for the benefit of creditors; or
- G. the appointment of a receiver or trustee for Lessee or any of Lessee’s assets.

25.2 Notice; Opportunity to Cure. On the occurrence of any Default, Lessor will, prior to exercising any remedies set forth in this Section, provide Notice of such Default to Lessee. If Lessee, to Lessor’s reasonable satisfaction; (1) cures a Default arising from the events specified in subsection 1 of this Section, item A, within ten business days after receipt of such Notice; (2) cures a Default arising from the events specified in subsection 1 of this Section, items B through D, within 30 calendar days after receipt of Notice of such Default from Lessor, or, if such Default is one not reasonably susceptible of being cured within 30 calendar days, within such additional time as is reasonably required, provided Lessee promptly commences action reasonably designed to cure such Default and pursues such action to completion; or (3) cures a Default arising from the events specified in subsection 1 of this Section, items E through G, within 120 calendar days after receipt of such Notice, Lessor and Lessee will be restored to their respective rights and obligations under this Lease as if no Default had occurred. If any such Default is not so cured within the applicable time, such Default will constitute an “Event of Default.”

25.3 Remedies. Upon any Event of Default, Lessor will have the option to do any one or more of the following, without any further notice or demand, in addition to and not in limitation of any other remedy permitted by this Lease, at law or in equity:

A. Termination. Lessor may terminate this Lease and the Development Agreement, in which event Lessee will immediately surrender the Property to Lessor as required by the Section of this Lease titled *Surrender* and the Improvements will be and become the property of Lessor as set out in the subsection of this Lease titled *Title to the Improvements*. If Lessee fails to do so, Lessor may, to the maximum extent permitted by applicable Legal Requirement, without notice and without prejudice to any other remedy Lessor might have, enter and take possession of the Property and remove Lessee and Lessee’s Personal Property from it.

B. Option to Perform. Lessor may perform or cause to be performed the obligations of Lessee under this Lease and may enter the Property to accomplish such purpose. Lessee will reimburse

Lessor on demand for any expense that Lessor might incur in effecting compliance with the terms of this Lease on Lessee's behalf.

1. If an Event of Default occurs, Lessee will nevertheless be obligated to continue to pay Rent for so long as Lessee has possession of the Property.

2. Upon termination of this Lease and the Development Agreement as provided in this subsection, all rights and interests of Lessee in and to the Property will cease and terminate, and Lessor may, in addition to any other rights and remedies available to it, retain all sums paid to it by Lessee under this Lease.

3. If this Lease and the Development Agreement are terminated prior to completion of the Improvements, Lessor will have the right to cause Lessee to assign to Lessor all of its rights under contracts executed in connection with the Project and to entitle Lessor to all of the rights and benefits of Lessee and to provide that Lessor, upon assignment of such contracts, will only be responsible for amounts due under such contracts for work performed or services rendered with Lessor's Consent after such assignment; provided that the other party to any such contract will continue to have the rights and remedies provided in such contract for any defaults occurring prior to the assignment to Lessor.

25.5 Termination by Lessee. If Lessor defaults in any of its obligations under this Lease and such default continues for 90 calendar days after receipt of Notice of the default from Lessee (unless such default is one not reasonably susceptible of being cured within 90 calendar days, in which case Lessor must have commenced to cure the default within the 90-calendar day period and diligently pursued the cure to completion), Lessor will be deemed in default under this Agreement. If Lessor fails to timely commence curing a default or to diligently pursue such cure to completion, Lessee will have the right to terminate this Lease. Thereafter the Parties will not have any further rights against or liability to the other under this Lease except those rights and obligations that by their nature are intended to survive termination of it.

25.6 Lessor's Other Rights and Remedies; No Waiver by Delay. Lessor may institute such actions or proceedings as it may deem desirable for effectuating the purposes of this Section, including the right to execute and record or file in the real property records of the County Clerk of Oklahoma County, Oklahoma a written declaration of the termination of all the right, title, and interest of Lessee, and its successors in interest and assigns, in the Property, and the reversioning of the leasehold interest in Lessor. Any delay by Lessor in instituting or prosecuting any such actions or proceedings or otherwise asserting its rights under this Section will not operate as a waiver of such rights so as to deprive Lessor of or limit such rights in any way (it being the intent of this provision that Lessor should not be constrained so as to avoid the risk of being deprived of or limited in the exercise of the remedy provided in this Section because of concepts of waiver, laches or otherwise to exercise such remedy at a time when it may still hope otherwise to resolve the problems created by the default involved). Any waiver in fact made by Lessor with respect to any specific default by Lessee under this Section will not be considered or treated as a waiver of Lessor's rights with respect to any other defaults by Lessee under this Section or with respect to the particular default except to the extent specifically waived in writing.

26. Surrender. Upon the expiration or sooner termination of the Lease Term, Lessee must quit and surrender the Property to Lessor in good and clean order and condition, ordinary wear and tear excepted, free and clear of all claims to or against the Property by Lessee or any Person. Lessee will remove or cause to be removed all of Lessee's Personal Property and will repair any damage to the Property resulting from such removal. Any such of Lessee's Personal Property not so removed by Lessee (or the applicable Sublessee) within 60 calendar days after the termination of the Lease Term will become Lessor's property, and Lessor is authorized to dispose of any such property free and clear of any claim by Lessee (or the applicable Sublessee) to it. If Lessee fails to surrender the Property at the expiration or sooner termination of the Lease Term, Lessee

will pay all costs and fully defend, indemnify, release, and completely hold harmless Lessor from any claim resulting from such delay or failure to surrender.

27. Holding Over. This Lease will terminate at the expiration of the Lease Term without further notice. Any holding over by Lessee after the expiration or other termination of this Lease will not constitute a renewal or extension of it nor will it give Lessee any rights in or to the Property except as expressly provided in this Lease.

28. Notices. All notices and other communications required, permitted or contemplated by this Lease ("Notices" and each a "Notice") must be in writing, signed by the Party giving the Notice, and sent using the contact information below. Notices must be sent by: (1) hand-delivery in return for a receipt; (2) United States mail with postage prepaid; (3) nationally recognized overnight courier service; or (4) email, so long as the intended recipient acknowledges by email or other writing as having received the Notice (with an automatic "read receipt" not constituting acknowledgment). A Notice is effective on the earlier of: (1) the date of actual delivery; or (2) for mailed Notices (without a return receipt), three business days after the date of mailing. However, if the receipt of Notice is refused, the Notice is effective upon attempted delivery. Either Party may change its contact information by notifying the other Party as required by this Section. Notwithstanding the foregoing, Notices advising the other Party of a breach of this Lease must be sent by: (1) hand-delivery in return for a receipt; (2) certified United States mail, return receipt requested with postage prepaid; or (3) nationally recognized overnight courier service. Such Notices are effective on the date of actual delivery. However, if receipt of the Notice is refused, the Notice is effective upon attempted delivery.

Notices to Lessor will be addressed as follows:

Oklahoma Industries Authority
Attn: Catherine O'Connor, General Manager
105 North Hudson Avenue, Suite 101
Oklahoma City, Oklahoma 73102
Email Address: cathy.oconnor@theallianceokc.org

with copies to:

Oklahoma Industries Authority
Keith Kuhlman, Director of Special Projects
105 North Hudson Avenue, Suite 101
Oklahoma City, Oklahoma 73102
Email Address: keithkuhlman@theallinaceokc.org

Williams, Box, Forshee & Bullard
Carla Sharpe
522 Colcord Drive
Oklahoma City, Oklahoma 73102-2202
Email Addresses:
csharpe@wbflaw.com

Notices to Lessee will be addressed as follows:

OKC 577, LLC
Richard I. Tanenbaum
211 N. Robinson, Suite N1950

Oklahoma City, OK 73102
Email Address: rtanenbaum@gthokc.com

With a copy to:

Mark Beffort
Newmark Robinson Park
204 N. Robinson, Suite 700
Oklahoma City, OK 73102
Email Address: mbeffort@robinson-park.com

29. Estoppel Certificates. Either Party will, at any time and without charge, within 20 calendar days after written request by the other Party, certify by written instrument as to: (1) whether this Lease has been supplemented or amended, and if so, in what manner; (2) the validity of this Lease as of the time the request is received; (3) the existence of any Default or Event of Default; (4) any offsets, counterclaims or defenses; (5) the commencement and termination dates of the Lease Term; and (6) such other matters as might be reasonable requested. Such certification may be delivered to any mortgagee or purchaser or prospective mortgagee or prospective purchaser or to any other Person(s) specified in the certificate. Information so communicated will be binding on the executing Party and may be relied on by the Party requesting it and by the Person(s) to whom the certificate is delivered.

30. Miscellaneous Provisions.

30.1 Interpretation. The Parties intend for this Lease to be read as a whole such that the requirements in one part and not mentioned in another will be executed to the same extent and purpose as though required by all. The misplacement, addition or omission of a word or character will not change the intent of any part from that set out in this Lease as a whole. The titles and headings in this Lease are for convenience of reference only and do not constitute a part of it or affect its interpretation. The Exhibits attached to this Lease will be construed with and as an integral part of this Lease to the same extent as if they had been set out in this Lease. The use of the words “including,” “include,” and “included” is intended to imply that the list or words following it are illustrative and not exclusive.

30.2 Lessor’s Consent. Except where expressly stated otherwise, when this Lease requires Lessor’s consent, Lessor’s prior written consent is required, and that consent will not be unreasonably withheld, conditioned or delayed. Any action taken by Lessee without Lessor’s consent when consent is required is null, void, and of no effect.

30.3 Independent Contractor. Lessee is and will remain an independent contractor in all respects and not Lessor’s agent, representative or employee. Lessee has the exclusive authority and right to direct, supervise, and control performance of the work contemplated by this Lease and is solely responsible for the acts and omissions of Lessee Group. Lessee acknowledges that the doctrine of *respondeat superior* will not apply as between Lessor and Lessee Group.

30.4 Relationship of the Parties; No Third-Party Beneficiaries. This Lease does not create and will not be construed as creating an agency, partnership, joint venture or employment relationship between the Parties. This Lease is for the benefit only of the Parties and their respective successors and permitted assigns. No other Person is entitled to rely on this Lease, receive any benefit from it or enforce any provision of it against any Party to it.

30.5 Choice of Law; Jurisdiction and Venue. The Laws of the State of Oklahoma (excluding its conflict of laws rules that would apply the laws of another jurisdiction) exclusively apply to

this Lease. Any Claim arising directly or indirectly from or relating to this Lease must be filed and maintained in a court of competent jurisdiction in the state or federal courts located in Oklahoma County, Oklahoma. The Parties submit to that jurisdiction and venue for all purposes.

30.6 Entire Agreement; Modification. This Lease, including its Exhibits and documents delivered by its terms and incorporated in it, constitutes the entire agreement between the Parties pertaining to its subject matter. All prior and contemporaneous written or oral agreements and communications between the Parties are superseded by this Lease. This Lease may not be supplemented or modified except in a written agreement properly executed by the Parties. All Exhibits and documents referenced in this Lease are incorporated into this Lease by reference and are an integral part of this Lease.

30.7 Waiver. The terms of this Lease may be waived only by a written document executed and delivered by the waiving Party to the other Party. No course of dealing between the Parties, delay in the exercise of any rights under this Lease or failure to object to any action or omission constitutes a waiver of any terms of this Lease. A waiver of any term of this Lease will not constitute a continuing waiver of that term.

30.8 Severability. If any provision of this Lease is determined to be to any extent invalid, illegal or unenforceable, it will be deemed stricken from this Lease. All other provisions of this Lease will remain in full force and effect. The stricken provision will then be deemed replaced with one that is valid and enforceable and that comes closest to expressing the Parties' original intent.

30.9 Time. Time is of the essence of this Lease.

30.10 Merger. This Lease and the leasehold estate hereby created will not merge with any other estate or interest in the Land by reason of the fact that the same Person might own or hold directly or indirectly: (1) the rights of Lessee under this Lease or the leasehold estate hereby created or any interest in it; and (2) any other estate or interest in all or any part of the Land. No such merger will occur until such time as all Persons holding an interest in this Lease and the leasehold estate hereby created and any such estate or interest in the Land join in a written instrument effecting such merger and duly record that instrument.

30.11 Recording. The Parties agree to execute a Memorandum of Ground Lease for purposes of recording in the real property records of the County Clerk of Oklahoma County, Oklahoma in substantially the form attached as Exhibit C. Upon any termination of this Lease: (1) if requested by Lessor, Lessee will execute and deliver to Lessor an appropriate release, in form proper for recording in the real property records of the County Clerk of Oklahoma County, Oklahoma of all Lessee's interest in the Land; and (2) if requested by Lessee, Lessor will execute and deliver a written cancellation and termination of this Lease and release of all claims in proper form for such recording.

30.12 No Subordination of Lessor's Interest. Lessor's fee interest in and ownership of the Land and Lessor's interest in this Lease will not be subject or subordinate to or encumbered by any financing for the Development, any Lien or by any acts or omissions by Lessee.

30.13 No Brokers. Lessee will be responsible for and will fully defend, indemnify, release, and completely hold Lessor harmless with respect to the payment of any commission claimed by or owed to any real estate broker or other Person retained by Lessee and who is entitled to a commission as a result of the execution and delivery of this Lease.

30.14 No Presumption as to Drafter. In the construction and interpretation of this Lease, the rule that a document is to be construed most strictly against the Party who prepared it does not apply because both Parties participated in its preparation.

30.15 Attorneys' Fees. In the event either Party to this Lease is compelled to file suit to enforce the terms of this Lease, the Party prevailing in such litigation, in addition to all other relief granted by the court, will be entitled to the payment by the losing Party of all expenses, court costs, and reasonable attorneys' fees incurred by the prevailing Party in such litigation.

30.16 Counterparts. This Lease may be signed in counterparts, each one of which is considered an original, but all of which constitute one and the same instrument. Counterparts may be delivered by electronic communication in portable document form (.pdf) or tagged image format (.tif), and electronically transmitted signatures will have the same effect as manually transmitted signatures.

30.17 Further Assurances. The Parties agree to perform such further acts and to execute and deliver such additional documents and instruments as may be reasonably required in order to carry out the provisions of this Lease and their intentions.

30.18 Survival. The following Sections of this Lease will survive termination of it: Section titled *Representations and Warranties*; Section titled *Surrender*; Section titled *Independent Contractor*, and any other Section that by its nature is intended to survive termination.

30.19 Authority. Each Party represents and warrants to the other that: (1) it has full authority and power to enter into and perform its obligations under this Lease; (2) the person executing this Lease is fully empowered to do so; and (3) no consent or authorization is necessary from any third party.

31. Lease Effective Date. This Lease is effective the ___ day of _____, 202_ (the "Lease Effective Date").

[Balance of Page Intentionally Left Blank – Signature Page and Exhibits Follow]

Ground Lease – Signature Page

Oklahoma Industries Authority, a public trust

By: _____

Printed Name: Kenton Tsoodle

Title: General Manager

Date Executed: _____

OKC 577, LLC, an Oklahoma limited liability company

By: _____

Printed Name: _____

Title: _____

Date Executed: _____

Exhibit A to Ground Lease

Legal Description of the Land

All of Section Thirty-six (36), Township Eleven (11) North, Range Three (3) West of the Indian Meridian, Oklahoma County, Oklahoma.

Exhibit B to Ground Lease

Lessee's Insurance Requirements

- Workers' Compensation to meet the statutory requirements of applicable state and federal laws in Oklahoma.
- Employer's Liability Insurance for all employees employed on the Property.
- Builder's Risk on an "all risks" basis for the full replacement value covering Lessee's interest in all work incorporated in the Improvements and all materials and equipment on or about the Property (including in off-site storage) that is intended for permanent use in the Improvements.
- Permanent Property Insurance on an "all risks" basis for the full replacement cost value of the Improvements, to be effective upon expiration of the Builder's Risk insurance t
- Public and Comprehensive General Liability Insurance, including bodily injury, death, broad form property damage, contractual liability, and sudden and accidental pollution liability sufficient to meet the maximum cumulative liability of OIA under the Governmental Tort Claims Act (51 O.S. §§ 151 *et seq.*) and any amendment or addition to it (the "GTCA"), unless otherwise specifically and expressly provided herein. The current required minimum commercial general liability coverage for each entity under the GTCA is \$175,000 per person for bodily injury or death, \$25,000 for property damage, and \$1,000,000 for any number of claims arising out of a single accident or occurrence.
- Automobile Liability Insurance covering owned, hired, and non-owned vehicles used by Lessee Group, with minimum limits of liability for injury, death, and property damage sufficient to meet the maximum cumulative liability of OIA under the GTCA unless otherwise specifically and expressly provided herein. The current required minimum comprehensive automobile liability coverage for each entity under the GTCA is \$175,000 per person for bodily injury or death, \$25,000 for property damage, and \$1,000,000 for any number of claims arising out of a single accident or occurrence.

Exhibit C to Ground Lease

Form of Memorandum of Ground Lease

This Memorandum of Ground Lease is dated effective as of the ____ day of _____, 202__, between the Oklahoma Industries Authority, a public trust, ("Lessor") and _____ ("Lessee").

1. Pursuant to the terms and conditions of a Ground Lease dated _____, 202__ (the "Lease"), Lessor has leased to Lessee, and Lessee has leased from Lessor, certain real property in the City of Oklahoma City, legally described as follows (the "Land");

**All of Section 36, Township 11 North, Range 3 West of the Indian Meridian,
Oklahoma County, Oklahoma**

2. The term of the Lease (the "Lease Term") is for a period of __ years, with _____ options to renew the Lease for _____ terms.

3. The rent to be paid by Lessee and all of the other terms, covenants, and conditions of the Lease are set forth in the Lease. This instrument is merely a memorandum of the Lease and is subject to all of the terms, covenants, and conditions of the Lease, each and all of which are incorporated in this Memorandum of Ground Lease by this reference.

4. This Memorandum of Ground Lease may be executed in counterparts, each one of which is considered an original, but all of which constitute one and the same instrument.

Dated the __ day of _____, 202__.

[Signature Page and Acknowledgments to Follow]

RESOLUTION

WHEREAS, in 2021, The Alliance for Economic Development of Oklahoma City applied for a grant from the State of Oklahoma American Rescue Plan Act (“ARPA”) funds for Project OKC 577 which is an extension of a water main and a sewer main in the area of Interstate 240 and Eastern, also known as the 577 Acres Property;

WHEREAS, Oklahoma State Senate Bill 13xx approved \$8,000,000 in grant funds for Project OKC 577; and

WHEREAS, the Oklahoma Water Resources Board (“OWRB”) is the awarding state agency, which will provide administration of fund disbursements for awarded projects after a formal application is received and grant agreements are executed;

WHEREAS, pursuant to its Trust Indenture, as amended, for the use and benefit of Oklahoma County, Oklahoma, under the authority and pursuant to the provisions of Title 60, Oklahoma Statutes 2021, Sections 176 et seq., as amended (the "Act"), Oklahoma Industries Authority (“Authority”) has been duly created and established as a public trust for public purposes as therein provided;

WHEREAS, the Authority is authorized under said Trust Indenture and the Act to provide funds to encourage economic development activities in Oklahoma County and to promote the economic welfare of the County and inhabitants thereof;

WHEREAS, the Authority is facilitating the development of the 577 Acres Property and is the best entity to also manage the administration and construction of the water and sewer main extensions contemplated as part of Project OKC 577;

WHEREAS, it is in the best interest of the citizens of Oklahoma County that the Authority, and specifically the General Manager, be authorized to expedite the preparation and submission of an application for financial assistance from OWRB in the form of a grant.

NOW, THEREFORE, BE IT RESOLVED by the Trustees of Oklahoma Industries Authority that the General Manager is hereby authorized and directed to sign an application and related documents necessary to file and process an ARPA grant application with OWRB on behalf of Oklahoma Industries Authority and in coordination with The Alliance for Economic Development of Oklahoma City, for an \$8,000,000 grant for Project OKC 577 – water and sewer main extensions.

BE IT FURTHER RESOLVED by the Trustees of Oklahoma Industries Authority that the General Manager is authorized to execute of a grant agreement and any additional documents associated with the OWRB Grant Process upon review and approval by General Counsel and to authorize staff to provide required reports to administer the grant.

ADOPTED on December 15, 2022.

OKLAHOMA INDUSTRIES AUTHORITY

Chair

ATTEST:

Secretary