

LEASE PURCHASE AGREEMENT

THIS LEASE PURCHASE AGREEMENT (the “Agreement”), is dated as of the signature last affixed hereto, by and between **Independent School District No. 1 of Tulsa County, Oklahoma d/b/a Tulsa Public Schools** (the “Lessor”), and _____** (the “Lessee”).

Section 1. Definitions. The following terms will have the meanings indicated below unless the context clearly requires otherwise:

“**Agreement**” means this Lease Purchase Agreement and any other rider, schedule, or exhibit made a part hereof by the parties hereto, together with any amendments to this Agreement.

“**Commencement Date**” is the date when the term of this Agreement and Lessee’s obligation to pay rent commences, which date will be the date on which the Property is occupied by Lessee in the manner described in Section 9.

“**Event of Default**” means an Event of Default described in Section 28.

“**Net Proceeds**” mean the amount remaining from the gross proceeds of any insurance claim or condemnation award after deducting all expenses (including attorneys’ fees) incurred in the collection of such claim or award.

“**Payment Schedule**” means the schedule of Payments and Purchase Price set forth on Exhibit B.

“**Property**” means the real property described in Exhibit A attached hereto.

“**Purchase Price**” means the amount set forth on the Payment Schedule as the “Balance” due after each scheduled Payment that Lessee may, at its option, pay to Lessor to purchase the Property. The purchase price on the Commencement Date is \$ _____**.

“**State**” means the State of Oklahoma

Section 2. Representations and Covenants of Lessee. Lessee represents, warrants and covenants for the benefit of Lessor as follows:

(a) Lessee is authorized under the constitution and laws of the State to enter into this Agreement and the transaction contemplated hereby and to perform all of its obligations hereunder.

(b) This Agreement constitutes the legal, valid and binding obligation of Lessee enforceable in accordance with its terms, except to the extent limited by applicable bankruptcy, insolvency, reorganization or other laws affecting creditors’ rights generally.

(c) No event or condition that constitutes, or with the giving of notice or the lapse of time or both would constitute, an Event of Default exists at the Commencement Date.

(d) There is no action, suit, proceeding, inquiry or investigation, at law or in equity, pending or threatened against or affecting Lessee, nor to the best knowledge of Lessee is there any basis therefor, wherein an unfavorable decision, ruling or finding would materially adversely affect the transactions contemplated by this Agreement.

(e) All authorizations, consents and approvals of governmental bodies or agencies required in connection with the execution and delivery by Lessee of this Agreement or in connection with the carrying out by Lessee of its obligations hereunder have been obtained.

(f) The entering into and performance of this Agreement will not violate any judgment, order, law or regulation applicable to Lessee.

Section 3. Lease of Property. Lessor hereby demises, leases and lets the Property to Lessee, and Lessee rents, leases and hires the Property from Lessor, in accordance with the provisions of this Agreement, for the Lease Term.

Section 4. Lease Term. The Lease Term of this Agreement shall begin on the Commencement Date and continue for a period of three (3) years, as set forth on Exhibit B.

Section 5. Termination of Lease Term. The Lease Term will terminate upon the earliest of any of the following events:

(a) the exercise by Lessee of the option to purchase the Property and payment of the Purchase Price and all amounts payable in connection therewith;

(b) a default by Lessee and Lessor's election to terminate this Agreement under Section 29; or

(c) the payment by Lessee of all Payments authorized or required to be paid by Lessee hereunder during the Maximum Term.

Section 6. Payments. The Lessee will pay Payments, from legally available funds, in the amounts and on the dates set forth on the Payment Schedule. Any Payment not received on or before its scheduled Payment Date will bear interest at the rate of 10% per annum or the maximum amount permitted by law, whichever is less, from its Payment Date until paid. In any case where any Payment Date shall fall due on a Saturday, a Sunday, a legal holiday, or a day upon which banking institutions in the City of Tulsa, Oklahoma are authorized by law to close for business, then the corresponding Payment need not be made on such date, but shall be made on the next succeeding banking day with the same force and effect as if made on the day upon which said Payment falls due.

Section 7. Principal and Interest Components. As set forth on the Payment Schedule attached hereto as Exhibit B, a portion of each Payment is paid as, and represents payment of interest for purposes of the Federal tax treatment of this Agreement.

Section 8. Payments To Be Unconditional. The obligations of Lessee to make Payments and to perform and observe the other covenants and agreements contained herein shall be absolute and unconditional in all events without abatement, diminution, deduction, set-off or defense, for any reason.

Section 9. Acquisition and Acceptance of the Property. Lessee shall take possession of the Property on the Commencement Date in accordance with the terms of this Agreement. When possession of the Property has occurred, Lessee will evidence its acceptance of the Property and the Commencement of the Term of this Agreement by executing and delivering to Lessor an acceptance certificate in form and substance acceptable to Lessor.

Section 10. Enjoyment of Property. Lessor hereby covenants to provide Lessee with quiet use and enjoyment of the Property during the Lease Term, and Lessee will peaceably and quietly have and hold and enjoy the Property during the Lease Term, without suit, trouble or hindrance from Lessor, except as otherwise expressly set forth in this Agreement.

Section 11. Right of Inspection. Lessor will have the right at all reasonable times during regular business hours to enter into and upon the property of Lessee for the purpose of inspecting the Property.

Section 12. Use of the Property. Lessee will not use or maintain the Property improperly, carelessly, in violation of any applicable law or in a manner contrary to that contemplated by this Agreement. Lessee will obtain all permits and licenses, if any, necessary for the lawful operation of the Property. In addition, Lessee agrees to comply in all respects with all applicable laws, regulations and rulings of any legislative, executive, administrative or judicial body; provided, however, that Lessee may contest in good faith the validity or application of any such law, regulation or ruling in any reasonable manner that does not, in the opinion of Lessor, adversely affect the interest of Lessor in and to the Property or its interest or rights under this Agreement.

Section 13. Maintenance of Property. Lessee agrees that it will, at Lessee's own cost and expense, maintain, preserve and keep the Property in good repair, ordinary wear and tear excepted. Lessor will have no responsibility to maintain, or repair or to make improvements or additions to the Property.

Section 14. Title to the Property. During the Lease Term, title to the Property shall be retained by Lessor for the benefit of Lessee. Lessee shall not have any right, title or interest in the Property except as expressly set forth in this Agreement. Upon satisfaction of the purchase provisions of Section 25 hereto, title to the Property shall transfer to the Lessee. Upon the occurrence of an Event of Default, the Lessee will surrender possession of the Property to the Lessor. When the Lessee, by payment as scheduled under Exhibit B, shall have paid a sum equal to the Purchase Price plus interest at the agreed rate, the Property shall become the property of the Lessee and Lessor agrees to execute and deliver to Lessee a Special Warranty Deed conveying to the Lessee all of Lessor's right, title and interest in and to the Property, free and clear of all liens and interest of third parties created by, through or under Lessor. The Property shall be transferred on an "AS-IS, WHERE-IS" basis with all faults, without recourse and without representation or warranty of any kind, express or implied, except for a representation that the Property is free and clear of any liens created by, through or under the Lessor. Upon transfer of title, Lessor shall, within fifteen (15) days furnish to Purchaser an abstract of title,

certified to a date within six (6) months of the current date, showing marketable title to the Property in the Seller subject only to easements, restrictions and rights-of-way of record.

Section 15. Security Interest. To the extent permitted by law, Lessee hereby grants to Lessor a first priority security interest in Lessee's rights and interests in any and all of the Property.

Section 16. Liens, Taxes, Other Governmental Charges and Utility Charges. Lessee will keep the Property free and clear of all liens, charges and encumbrances, except those created under this Agreement. Lessee will pay all taxes and governmental charges lawfully assessed or levied against or with respect to the Property. Lessee will pay all gas, water, steam, electricity, light, heat or power, telephone or other utility services and other charges incurred in the use and maintenance of the Property.

Section 17. Insurance. At its own expense, Lessee will maintain liability insurance in form and amount satisfactory to Lessor. Lessee will furnish to Lessor a certificate evidencing such coverage throughout the Lease Term. All such casualty and liability insurance will be with insurers that are acceptable to Lessor.

Section 18. Advances. In the event Lessee fails to maintain the insurance required by this Agreement, pay taxes or charges required to be paid by it under this Agreement or fails to keep the Property in good repair and operating condition, Lessor may (but will be under no obligation to) purchase the required policies of insurance and pay the cost of the premiums thereof, pay such taxes and charges and make such repairs or replacements to the Property as are necessary and pay the cost thereof. All amounts so advanced by Lessor will become additional rent. Lessee agrees to pay such amounts with interest thereon from the date paid at the rate of 10% per annum or the maximum permitted by law, whichever is less.

Section 19. Financial Information. Lessee will provide Lessor, throughout the Term of this Agreement, with current financial statements, budgets, proofs of appropriation for the ensuing fiscal year and such other financial information relating to the ability of Lessee to continue this Agreement as may be reasonably requested by Lessor.

Section 20. Release and Indemnification. To the extent permitted by law, Lessee will indemnify, defend and hold harmless Lessor from and against any and all liability, obligations, losses, claims and damages whatsoever, regardless of cause thereof, and expenses in connection therewith arising out of or as the result of (a) the ownership of the Property, (b) any accident in connection with the Lessee's operation, use, condition or possession of the Property resulting in damage to property or injury or death to any person or (c) the breach by Lessee of any covenant herein or any material misrepresentation by Lessee of any representation contained herein. The indemnification arising under this paragraph will continue in full force and effect notwithstanding the full payment of all obligations under this Agreement or the termination of the Lease Term for any reason.

Section 21. Risk of Loss. Lessee assumes, from and including the Commencement Date, all risk of loss, theft, damage or destruction of or damage to the Property, in whole or in part, from any cause whatsoever (a "Casualty Loss"). No such loss of or damage to the Property nor defect therein nor unfitness or obsolescence thereof will relieve Lessee of the obligation to make Payments or to perform

any other obligation under this Agreement. If a Casualty Loss occurs to any Property, Lessee shall immediately notify Lessor of the same and Lessee shall, unless otherwise directed by Lessor, immediately repair the same.

Section 22. Damage, Destruction, Condemnation; Use of Proceeds. If (a) the Property is destroyed, in whole or in part, or is damaged by fire or other casualty, or (b) title to, or the temporary use of, the Property or any part thereof or the interest of Lessee or Lessor in the Property or any part thereof will be taken under the exercise of the power of eminent domain by any governmental body or by any person, firm or corporation acting under governmental authority, Lessee and Lessor will cause the Net Proceeds of any insurance claim or condemnation award to be applied to the prompt replacement, repair, restoration, modification or improvement of the Property or to reduce the Purchase Price paid to the Lessor, unless Lessee has purchased the Lessor's interest in the Property.

Section 23. Insufficiency of Net Proceeds. If the Net Proceeds are insufficient to pay in full the cost of any repair, restoration, modification or improvement referred to in Section 22, Lessee will either (a) complete such replacement, repair, restoration, modification or improvement and pay any costs thereof in excess of the amount of the Net Proceeds, or (b) purchase Lessor's interest in the Property. The amount of the Net Proceeds, if any, remaining after completing such repair, restoration, modification or improvement or after purchasing the Property will be retained by Lessee.

Section 24. Disclaimer of Warranties. LESSOR HAS MADE AND MAKES NO REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, AND ASSUMES NO OBLIGATION WITH RESPECT TO THE MERCHANTABILITY, CONDITION, QUALITY OR FITNESS OF THE PROPERTY DESCRIBED IN EXHIBIT A FOR ANY PARTICULAR PURPOSE.

All such risks shall be borne by Lessee without in any way excusing Lessee from its obligations under this Agreement, and Lessor shall not be liable to Lessee for any damages on account of such risks.

Section 25. Incremental Purchase and Prepayment.

(a) *Incremental Purchase.* Lessee may, by paying the payments at the time and in the amounts set forth on Exhibit B, acquire Lessor's right, title and interest in and to the Property; provided however, such acquisition shall only occur upon Lessee making all of the required Payments as the same become due.

(b) *Prepayment.* On any payment date set forth on Exhibit B, Lessee will have the option, upon giving written notice to Lessor at least 15 days before the date of purchase, to pay, in addition to the payments then due hereunder, the Purchase Price designated on the payment schedule for such payment date. Upon exercise of Lessee's prepayment option set forth above, title to the Property will be vested in Lessee, free and clear of any claim by or through Lessor.

Section 26. Assignment by Lessor. Lessor's interest in, to and under this Agreement and the Property may be assigned and reassigned in whole or in part to one or more assignees by Lessor without the necessity of obtaining the consent of Lessee; provided that any assignment will not be effective until Lessee has received written notice of the name and address of the assignee.

Lessee will retain all such notices as a register of all assignees and will make all payments to the assignee or assignees designated in such register. Lessee agrees to execute all documents, including notices of assignment and chattel mortgages or financing statements that may be reasonably requested by Lessor or any assignee to protect its interest in the Property and in this Agreement and agrees to the filing of financing statements with respect to the Property and this Agreement. Lessee will not have the right to and will not assert against any assignee any claim, counterclaim, defense, set-off or other right Lessee may have against Lessor.

Section 27. Assignment and Subleasing by Lessee. None of Lessee's right, title and interest in, to and under this Agreement and the Property may be assigned, subleased or encumbered by Lessee for any reason.

Section 28. Events of Default Defined. Any of the following will be "Events of Default" under this Agreement:

(a) Failure by Lessee to pay any Payment required to be paid hereunder at the time specified herein;

(b) Failure by Lessee to observe and perform any covenant, condition or agreement on its part to be observed or performed, for a period of 30 days after written notice specifying such failure and requesting that it be remedied is given to Lessee by Lessor, unless Lessor will agree in writing to an extension of such time prior to its expiration; provided, however, if the failure stated in the notice cannot be corrected within the applicable period, Lessor will not unreasonably withhold its consent to an extension of such time if corrective action is instituted by Lessee within the applicable period and diligently pursued until the default is corrected;

(c) Any statement, representation or warranty made by Lessee in or pursuant to this Agreement or its execution, delivery or performance will prove to have been false, incorrect, misleading or breached in any material respect on the date when made;

(d) Any provision of this Agreement will at any time for any reason cease to be valid and binding on Lessee, or will be declared to be null and void, or the validity or enforceability thereof will be contested by Lessee or any governmental agency or authority if the loss of such provision would materially adversely affect the rights or security of Lessor, or Lessee will deny that it has any further liability or obligation under this Agreement;

(e) Lessee (i) applies for or consents to the appointment of a receiver, trustee, custodian or liquidator of Lessee, or of all or a substantial part of the assets of Lessee, (ii) is unable, fails to or admits in writing its inability generally to pay its debts as they become due, (iii) makes a general assignment for the benefit of creditors, (iv) has an order for relief entered against it under applicable federal bankruptcy law, or (v) files a voluntary petition in bankruptcy or a petition or an answer seeking reorganization or an arrangement with creditors or taking advantage of any insolvency law or any answer admitting the material allegations of a petition filed against Lessee in any bankruptcy, reorganization or insolvency proceeding; or

(f) An order, judgment or decree is entered by any court of competent jurisdiction, approving a petition or appointing a receiver, trustee, custodian or liquidator of Lessee or of all or a substantial part of the assets of Lessee, in each case without its application, approval or consent, and such order, judgment or decree will continue unstayed and in effect for any period of 30 consecutive days.

Section 29. Remedies on Default. Whenever any Event of Default exists, Lessor will have the right, at its sole option, without any further demand or notice, to take one or any combination of the following remedial steps:

(a) By written notice to Lessee, Lessor may terminate this Agreement and declare all Payments and other amounts payable by Lessee hereunder to the end of the Term to be due;

(b) With or without terminating this Agreement, Lessor may enter and retake possession of the Property and sell or lease the Property, for the account of Lessee, holding Lessee liable for the difference between (i) the Payments and other amounts payable by Lessee hereunder to the end of the Lease Term, and (ii) the net proceeds of any such sale, lease or sublease (after deducting all expenses of Lessor in exercising its remedies under this Agreement, including without limitation, all expenses of taking possession, storing, reconditioning and selling or leasing the Property and all brokerage, auctioneers' and attorneys' fees); and

(c) Lessor may take whatever other action at law or in equity may appear necessary or desirable to enforce its rights as the owner of the Property.

Section 30. No Remedy Exclusive. No remedy herein conferred upon or reserved to Lessor is intended to be exclusive and every such remedy will be cumulative and will be in addition to every other remedy given under this Agreement or now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any default will impair any such right or power or will be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle Lessor to exercise any remedy reserved to it in this Agreement it will not be necessary to give any notice, other than such notice as may be required in this Agreement.

Section 31. Notices. All notices, certificates or other communications hereunder will be sufficiently given and will be deemed given when delivered or mailed by registered mail, postage prepaid, to the parties at the addresses immediately after the signatures to this Agreement (or at such other address as either party hereto will designate in writing to the other for notices to such party), to any assignee at its address as it appears on the register maintained by Lessee.

Section 32. Binding Effect. This Agreement will inure to the benefit of and will be binding upon Lessor and Lessee and their respective successors and assigns.

Section 33. Severability. In the event any provision of this Agreement will be held invalid or unenforceable by any court of competent jurisdiction, such holding will not invalidate or render unenforceable any other provision hereof.

Section 34. Entire Agreement. This Agreement constitutes the entire agreement between Lessor and Lessee.

Section 35. Amendments. This Agreement may be amended, changed or modified in any manner by written agreement of Lessor and Lessee. Any waiver of any provision of this Agreement or any right or remedy hereunder must be affirmatively and expressly made in writing and will not be implied from inaction, course of dealing or otherwise.

Section 36. Execution in Counterparts. This Agreement may be simultaneously executed in several counterparts, each of which will be an original and all of which will constitute but one and the same instrument.

Section 37. Captions. The captions or headings in this Agreement are for convenience only and in no way define, limit or describe the scope or intent of any provisions or sections of this Agreement.

Section 38. Applicable Law. This Agreement will be governed by and construed in accordance with the laws of the State.

[Remainder of Page Left Blank Intentionally]

IN WITNESS WHEREOF, Lessor and Lessee have caused this Agreement to be executed in their corporate names by their duly authorized officers as of the date of the signature last hereto affixed.

LESSOR:

LESSEE:

**INDEPENDENT SCHOOL DISTRICT
NO. 1 OF TULSA COUNTY,
OKLAHOMA**

By: _____
Stacey Woolley
President, Board of Education

By: _____ **

Name: _____ **

Address for notices:
3027 South New Haven Avenue
Tulsa, OK 74114

Title: _____ **

Date: _____ **

ATTEST:

Address for notices:**

Clerk, Board of Education

EXHIBIT A TO LEASE PURCHASE AGREEMENT

Property Schedule

Lots four (4) through six (6) and the East 30' of Vacated 33rd West Avenue to said lots in Block 35, Red For Addition to Tulsa, Tulsa County, State of Oklahoma AND All of Block six (6) and the West 30' of Vacated 33rd West Avenue adjacent to said lots, Yargee Addition to Tulsa, Tulsa County, State of Oklahoma.

The property formerly known as Park Elementary School.

EXHIBIT B TO LEASE PURCHASE AGREEMENT

Payment Schedule

Commencement Date: _____ **

Principal Amount: \$ _____ **

Imputed Interest Rate: 4%

Maximum Term: 3 Years

THE FOLLOWING TABLE IS TO BE COMPLETED BY LESSOR

	Payment Date	Total Payment	Interest	Principal	Balance
Year 1:					
Year 2:					
Year 3:					0.00