

SECURITY AGREEMENT

THIS SECURITY AGREEMENT, dated as of August 1, 2021, is entered into by and between the OKLAHOMA CITY ECONOMIC DEVELOPMENT TRUST (the “Trust”) and THE CITY OF OKLAHOMA CITY, OKLAHOMA (the “City”).

WITNESSETH:

WHEREAS, the Trust was created by a Trust Indenture dated October 9, 2007 (the “Trust Indenture”) designating certain individuals as Trustees of the Trust for the use and benefit of the City under authority of and pursuant to the provisions of Title 60, Oklahoma Statutes 2011, Sections 176 to 180.4, inclusive, as amended and supplemented, the Oklahoma Trust Act and other applicable statutes of the State of Oklahoma; and

WHEREAS, pursuant to the Local Development Act, as codified at 62 Okla. Stat. §850 *et seq.*, the City has approved the establishment of “Oklahoma City Increment District Number 8, City of Oklahoma City” (“Increment District”) and established an Amended and Restated Downtown/MAPS Economic Development Project Plan (the “Project Plan”) dated December 16, 2008, through adoption by the City Council of the City of Ordinance No. 23,768 dated December 16, 2008, as most recently amended by Ordinance No. 26,485 on June 17, 2020 (collectively, the “TIF Ordinance”) (the “TIF Ordinance”); and

WHEREAS, the Project Plan includes the financing and refinancing of the costs of certain projects identified as Priority Public Improvements pursuant to that certain Implementation and Coordination Agreement dated August 18, 2009, among the City, the Trust, and Devon World Headquarters, L.L.C. (collectively, the “TIF Projects”); and

WHEREAS, the City and the Trust have determined that the conditions, including particularly the low interest rate environment, have permitted the development of additional TIF Projects to be funded with the bonds herein approved; and

WHEREAS, the City and the Trust have determined that it is appropriate at this time to issue bonds for the purposes of refunding certain outstanding indebtedness of the Trust, funding reserves and paying costs related thereto with such bonds to be issued in one or more series or subseries depending on whether such series are tax exempt or taxable bonds, market conditions for the bonds, the need for funds as well as the availability of other funds for certain TIF Projects, the credibility of estimates as to the costs of certain TIF Projects and the expectations with respect to the completion of such TIF Projects; and

WHEREAS, the Trust has determined to issue its Tax Apportionment Refunding Bonds (Increment District #8), Taxable Series 2021A in the original principal amount of \$_____ (the “Series 2021A Bonds”) for the purpose of providing funds to: (i) refund the outstanding amount of the Trust’s Tax Apportionment Bonds, Series 2013A Taxable, dated April 17, 2013, issued in the original principal amount of \$116,445,000; (ii) fund a debt service reserve, if necessary; and (iii) pay certain costs associated with the issuance of the Series 2021A Bonds; and

WHEREAS, the Trust has further determined to issue its Tax Apportionment Refunding Bonds (Increment District #8), Tax-Exempt Series 2021B in the original principal amount of \$_____ (the “Series 2021B Bonds” and collectively with the Series 2021A Bonds, the “Bonds”) for the purpose of providing funds to: (i) refund the outstanding amount of the Trust’s Tax Apportionment Bonds, Series 2013B Tax-Exempt, dated April 17, 2013, issued in the original principal amount of \$23,840,000; (ii) fund a debt service reserve, if necessary; and (iii) pay certain costs associated with the issuance of the Series 2021B Bonds; and

WHEREAS, the Bonds will be issued pursuant to a General Bond Indenture dated as of August 1, 2021, as supplemented and amended by a Series 2021A Supplemental Bond Indenture dated as of August 1, 2021, and as further supplemented and amended by a Series 2021B Supplemental Bond Indenture dated as of August 1, 2021, all by and between the Trust and BOKF, NA, as trustee (collectively, the “Indenture”); and

WHEREAS, in order to secure the payment of the Bonds and provide assurance that the incremental increases in ad valorem tax revenue within the Increment District (“Increment Revenues”) will be received by the Trust, it is necessary that this Security Agreement be entered into; and

WHEREAS, the terms used herein shall have the meanings given to them in the Indenture, unless otherwise defined herein; and

WHEREAS, various ad valorem taxing entities having jurisdiction within the Increment District levy ad valorem tax, from time to time and in amounts as determined by law and by approval of a majority of the qualified voters of the respective ad valorem taxing entities voting at elections held for such purpose; and

WHEREAS, the ad valorem tax revenue generated from within the Increment District, in excess of the ad valorem tax revenue generated from within the Increment District on the Base Assessed Value (as defined by Section 862 of the Local Development Act), shall be referred to herein as the “Ad Valorem Tax Increment”; and

WHEREAS, the “Ad Valorem Tax Revenue” shall, on an annual basis, consist of the Ad Valorem Tax Increment; and

WHEREAS, all of the Ad Valorem Tax Revenue shall be collectively referred to herein as the “Tax Increment Revenue”; and

WHEREAS, all things to be done to make this Security Agreement a valid and binding agreement by and between the City and the Trust have been done, happened and performed.

NOW, THEREFORE, IN CONSIDERATION of the mutual covenants expressed herein and the issuance of the Bonds by the Trust and other good and valuable consideration, receipt of which is hereby acknowledged by the parties hereto, the City and the Trust, agree as follows:

SECTION 1. The revenues representing the Ad Valorem Tax Revenue received from the Oklahoma County Treasurer by the City from time to time shall be deposited in the Apportionment

Fund established pursuant to the TIF Ordinance. The Ad Valorem Tax Revenue shall constitute special funds of the City and shall not be subject to annual appropriation as part of the General Fund of the City. The City agrees and hereby directs that all amounts of money representing any and all Tax Increment Revenue, i.e. the Ad Valorem Tax Revenue, shall be paid over to the Trust as received by the City for immediate deposit in an account to be established and maintained by the Trustee pursuant to the Indenture entitled “OCEDT Tax Increment Apportionment Fund” (the “Tax Increment Apportionment Fund”). The parties to this Security Agreement hereby acknowledge and the Trust does hereby pledge the Tax Increment Revenue to the Trustee, for the benefit of the bondholders, for the purpose of paying debt service on the Bonds and on any other debt obligations issued pursuant to the Indenture and other payments required by the Indenture. The Tax Increment Revenue is to be utilized in the manner and for the purposes set out in the Indenture, which purposes it is hereby acknowledged are consistent with the authorized uses of said Tax Increment Revenue as set out in the TIF Ordinance and the Project Plan.

The Tax Increment Apportionment Fund shall be chargeable with the following payments in the following order of priority:

- FIRST: To pay debt service on the Bonds and on any other debt obligations issued pursuant to the Indenture, along with the fees and expenses of the Trustee.
- SECOND: To make payments, if required, to satisfy any Reserve Requirement and/or replenish the Reserve Account of the Bond Fund established by the Indenture with respect to the Bonds or any other debt obligations issued pursuant to the Indenture.
- THIRD: To make optional prepayments at the direction of the Trust (in the manner provided in the Indenture) on the Bonds or any other debt obligations issued pursuant to the Indenture.
- FOURTH: In the event (i) there are sufficient monies in the Bond Fund established under the Indenture on any date to make the next succeeding debt service payment on the Bonds and on any other debt obligations issued pursuant to the Indenture as required by the Indenture, (ii) any Reserve Requirement has been satisfied in full, and (iii) there is no Event of Default as defined in the Indenture, then any remaining Tax Increment Revenue in the Tax Increment Apportionment Fund may, at the written direction of the City, be transferred back to the special account established separate and apart from the General Fund of the City and shall be available for any lawful purpose consistent with and in accordance with the TIF Ordinance and the Project Plan, including but not limited to the reimbursement of any other revenues of the City expended for the payment of authorized TIF Projects and/or debt service on any obligations incurred for the payment of authorized TIF Projects.

Section 2. In consideration of the issuance of the Bonds by the Trust on behalf of the City, the Trust has pledged the Tax Increment Revenue to the Trustee and does hereby create a security interest in said revenues in favor of the Trustee for the benefit of the holders of the Bonds and the holders of any other debt obligations issued pursuant to the Indenture. The parties hereto agree that the Tax Increment

Apportionment Fund shall be a special trust fund for the benefit of the Trustee and the holders of the Bonds and any other obligations issued pursuant to the Indenture.

Section 3. Monies contained in the Tax Increment Apportionment Fund shall be continuously invested and reinvested, as directed by the Trust, in Authorized Investments, as defined in the Indenture, that shall mature not later than the respective dates, as estimated, when the monies in said fund shall be required for the purposes intended.

Section 4. The Trust and the City agree to continually ensure that the Tax Increment Revenue is utilized for one or more of the authorized purposes as set out in the TIF Ordinance, the Project Plan, and in the manner set out in Section 1 hereof.

Section 5. This Security Agreement shall remain in full force and effect until the Bonds and any other debt obligations issued pursuant to the Indenture are no longer outstanding. It is hereby acknowledged that pursuant to Section 6C of Article X of the Constitution of the State of Oklahoma and the Local Development Act, the direction of apportionment of the Ad Valorem Tax Revenue shall continue beyond the current Fiscal Year for the duration of the Increment District, or the period required for the discharge of indebtedness that may be incurred by the public entities authorized by the Project Plan, whichever is less; provided however, that since the levy, collection and use of ad valorem taxes (as may be applicable to the Increment District) were approved by a majority of the voters voting at elections held for such purpose, the voters have the power to revoke or modify the same. The Bonds issued by the Trust and any other debt obligations issued pursuant to the Indenture shall in no way be or become an obligation of the City.

Section 6. It is understood and agreed that this Security Agreement is a third-party beneficiary contract for the benefit of the holders of the Bonds and the holders of any other debt obligations issued pursuant to the Indenture and may be pledged and assigned by the Trust as security for the Bonds and any other debt obligations issued pursuant to the Indenture.

Section 7. For so long as this Security Agreement remains in effect, the City shall not assign, transfer, pledge or grant a security interest or other lien against the Ad Valorem Tax Revenue, or any rights or interests therein, to any person other than the Trust pursuant to or in furtherance of this Security Agreement or the Indenture. Notwithstanding the foregoing, this Section 7 shall not apply to any amounts paid back to the City pursuant to priority "FOURTH" under Section 1 above.

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IN WITNESS WHEREOF, the Oklahoma City Economic Development Trust has caused this Security Agreement to be signed by its Chairman, attested by its Secretary, and has caused the seal of the Trust to be impressed hereon and The City of Oklahoma City, acting by and through its City Council, has caused this Security Agreement to be signed by its Mayor or Vice Mayor, attested by its City Clerk, and has caused the seal of the City to be impressed hereon, all as of the date above set out.

OKLAHOMA CITY ECONOMIC DEVELOPMENT
TRUST

(SEAL)
ATTEST:

Chairman

Trust Secretary


THE CITY OF OKLAHOMA CITY, OKLAHOMA

(SEAL)
ATTEST:

Mayor

City Clerk

REVIEWED for form and legality.



Deputy Municipal Counselor/
Attorney for the Trust