

**ASSET PURCHASE AGREEMENT AND TERMINATION OF
GROUND LEASE & SUBLEASE AGREEMENT**

This Asset Purchase Agreement and Termination of Ground Lease and Sublease Agreement (the “**Agreement**”) dated the ___ day of December 2021 (the “Effective Date”), is entered into by and between the Board of Regents of the University of Oklahoma (“University”) and the Sovereign Properties Holdco, LLC (“Sovereign”).

RECITALS

A. On March 14, 2017, the University and Provident Oklahoma Education Resources, Inc. entered a ground lease for the finance, construction, operation, and management of a housing facility known as "Cross Village" (the “**Facility**”) on the University’s Norman, Oklahoma campus (the “**Ground Lease**”).

B. On June 16, 2021:

a. Sovereign entered an Assignment & Assumption of Ground Lease (this “**Assignment**”) with Provident Oklahoma Education Resources, Inc. Under the Assignment, Provident assigned, transferred, sold, conveyed and delivered to Sovereign, its successors, and assigns, all of Provident's right, title, and interest in, to, and under the Ground Lease and those rights appurtenant thereto, together with all security deposits, prepaid rents, and any other deposits, if any, made in respect of the Ground Lease.

b. The University and Sovereign executed (i) an Amendment to Lease of Property, amending the Ground Lease as set forth therein (the “**Amendment**”) and (ii) a Sublease Agreement (“**Sublease Agreement**”) in which the University sublet the Facility from Sovereign as set forth therein.

C. The Amendment amended **Article 18** of the Ground Lease as follows:

“Without limiting the other terms of this [Ground] Lease, at any time, and from time to time, during the [Ground] Lease Term, the Parties may mutually agree upon the terms and conditions pursuant to which [Sovereign] may sell and transfer to [the University], and [the University] may purchase from [Sovereign], [Sovereign]’s right, title and interest in, to and under the Housing Facility and/or all or any portion of such other Project Assets as the Parties mutual agree; provided that the purchase price shall be equal to \$180,000,000 with no credit given to [the University] for payments made by [the University] under the Sublease Agreement between [the University] and [Sovereign] dated June 16, 2021 (the “**Sublease Agreement**”).”

D. The University desires to purchase Sovereign right, title, and interest in the Facility under the amended **Article 18** of the Ground Lease, Sovereign desires to sell right, title, and interest in the Facility to the University. As a result of such sell and purchase, the Parties desire to terminate the above referenced agreements as set forth herein.

TERMS

1.0 **RECITALS.** The recitals set forth above are by this reference incorporated herein and made a part hereof.

2.0 **CAPITALIZED TERMS.** Capitalized terms used herein, not otherwise defined, shall have the meanings given to them in the Ground Lease, Amendment, and Sublease Agreement respectively.

3.0 **FACILITY PURCHASE AND TRANSFER.**

3.1 Interests Conveyed. Subject to the terms and conditions herein, the University agrees to purchase and acquire from Sovereign, and Sovereign agrees to sell and convey to the University, any and all right, title, and interest held or owned by Sovereign in the Facility as set forth and described in the Ground Lease, Amendment, or other documents. Sovereign's transfer and conveyance under this **Section 3.1** shall specifically include, but is not limited to:

3.1.1 All rights, title, interest, benefits, and income appurtenant or attributable thereto, including all Sovereign's rights and interest, if any, to roads, rights of way, and easements adjacent or belonging thereto.

3.1.2 All buildings, fixtures, and other improvements of every kind and description on or at the Facility, in their present condition, including the parking garage.

3.1.3 (i) The personal property located and used at the Facility and (ii) any and all existing contracts relating to the lease, occupancy, management, operation, maintenance, or repair of the Facility, including Tenant Agreements along with any security deposits held pursuant to such agreements.

3.2 Purchase Price. As provided in Article 18 of the amended Ground Lease, the University shall pay to Sovereign to \$180,000,000 for the transfers and conveyances under **Section 3.1** within ten (10) days of the Effective Date of this Agreement.

3.3 Liens, Encumbrances. If there are any deeds of trust, mortgages, or mechanics', judgment, tax, or other monetary liens encumbering the Facility as a result of Sovereign's act or omissions, Sovereign shall cause the same to be discharged, terminated, and released as required to convey its interest in the Facility in accordance with this Agreement.

3.4 No warranties, "As-Is" Condition. EXCEPT AS OTHERWISE MAY BE SPECIFICALLY SET FORTH OR PROVIDED FOR IN WRITING IN THIS AGREEMENT, THE SOVEREIGN HAS MADE AND MAKES NO REPRESENTATIONS OR WARRANTIES OF ANY NATURE WHATSOEVER TO UNIVERSITY, AND ANY AND ALL STATEMENTS MADE BY THE SOVEREIGN IN ANY AND ALL COMMUNICATIONS AND DOCUMENTS HERETOFORE GIVEN BY ANY PERSON TO THE UNIVERSITY ARE DEEMED MERGED INTO AND SUPERSEDED IN THEIR ENTIRETY BY THIS AGREEMENT. WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, THE SOVEREIGN AND UNIVERSITY ACKNOWLEDGE AND AGREE THAT, EXCEPT AS CONTAINED IN THIS **SECTION 5.1** NEITHER THE SOVEREIGN NOR ANY OF ITS OFFICERS, DIRECTORS, FACULTY, ADJUNCTS, ADMINISTRATORS, EMPLOYEES, AGENTS, REPRESENTATIVE, BROKERS, OR CONSULTANTS, MAKES OR HAS MADE ANY WARRANTIES OR REPRESENTATIONS OF ANY KIND OR CHARACTER, EXPRESS OR IMPLIED, WITH RESPECT TO THE PROPERTY OR ANY PORTION THEREOF, THE PROPERTY'S PHYSICAL CONDITION, INCOME TO BE DERIVED OR EXPENSES TO BE INCURRED WITH RESPECT TO THE PROPERTY, THE PROPERTY'S FITNESS OR SUITABILITY FOR ANY PARTICULAR USE, OR ANY OTHER MATTER OR THING RELATING TO OR AFFECTING THE SAME, AND THERE ARE NO ORAL AGREEMENTS, WARRANTIES, OR REPRESENTATIONS COLLATERAL TO OR AFFECTING THE PROPERTY OR ANY PORTION THEREOF, EXCEPT AS MAY BE EXPRESSLY SET FORTH IN THIS AGREEMENT. FURTHERMORE, UNIVERSITY ACKNOWLEDGES AND AGREES THAT UNIVERSITY HAS HAD AN OPPORTUNITY TO OR HAS INSPECTED THE PROPERTY AND IS ACCEPTING THE PROPERTY "AS IS, WHERE IS AND WITH ALL FAULTS."

4.0 TERMINATION OF GROUND LEASE, SUBLEASE AGREEMENT. Upon the Effective Date of this Agreement, the Parties agree the Ground Lease, Amendment, and Sublease Agreement (as set forth in **Section 2** thereof) hereby terminate and are no longer of any force or affect, except as specifically provided in this Agreement.

4.1 Each Party hereby fully and unconditionally releases the other Party from all obligations, liabilities, costs, and expenses that in any manner relate to the Ground Lease, Amendment, or Sublease Agreement, including any tenancy or other property interests arising therein, the Facility, or any use or occupation of the Facility by either Party.

4.2 The University shall pay, subject to the Sublease Agreement, and in addition to the Purchase Price stated **Section 3.2** above, Rent as defined in the Sublease Agreement for the month of December on a pro rata basis from and through December 1 to the Effective Date.

4.3 Any termination or release under this **Section 4.0** shall not apply to any terms, rights, duties, obligations, or responsibilities in the Ground Lease, Amendment, or Sublease Agreement specifically stated or meant to survive termination.

5.0 REPRESENTATIONS AND WARRANTIES.

5.1 Sovereign's Representations and Warranties. The Sovereign hereby represents and warrants to University as of the Effective Date as follows:

5.1.1 Institutional Status; Power and Authority. The Sovereign (i) is authorized to do business in the State of Oklahoma and (ii) has all requisite power and authority to enter into this Agreement and to perform its obligations hereunder.

5.1.2 Due Authorization. The execution and performance of the Sovereign's obligations under this Agreement have been duly authorized by all necessary Sovereign action required to be taken on the Sovereign's part.

5.1.3 No Conflict. The execution and delivery of this Agreement by the Sovereign, the consummation of the transactions herein contemplated, and the fulfillment of or the compliance with all of the provisions hereof will not conflict with or constitute on the part of the Sovereign a violation of or a breach of or a default under, any charter instrument, bylaw, loan agreement, mortgage, deed of trust, pledge, note, lease, or loan, or installment sale agreement, contract, or other agreement or instrument to which the Sovereign is a party.

5.1.4 Governmental Approvals. No consent, approval, permission, order, license, or authorization of, or the filing, registration, or qualification with any governmental authority on the part of the Sovereign in connection with the execution, delivery, and performance of the Sovereign's obligations under this Agreement, is required except as shall have been obtained or shall be obtained in due course on or prior to the time required under applicable laws.

5.1.5 No Defaults. To the Sovereign's knowledge, no event has occurred and no condition exists that would constitute a default by the Sovereign hereunder or that, with the lapse of time or with the giving of notice or both, would become such a default by the Sovereign hereunder.

5.1.6 Pending Litigation. To the Sovereign's knowledge, there are no actions, suits, proceedings, inquiries or investigations pending or, to the knowledge of the Sovereign, threatened against or affecting the Sovereign in any court or by or before any governmental authority that involve the likelihood of materially and adversely affecting the Sovereign's ability to perform its obligations under this Agreement, or that, in any way, would reasonably be expected to adversely affect the validity or enforceability of this Agreement.

5.2 University's Representations and Warranties. University hereby represents and warrants to Sovereign as of the Effective Date as follows:

5.2.1 Institutional Status; Power and Authority. The University (i) is a public body corporate and governmental entity of the State of Oklahoma pursuant to Article. XIII, § 8 of the Oklahoma Constitution and (ii) has all requisite power and authority to enter into this Agreement and to perform its obligations hereunder.

5.2.2 Due Authorization. The execution and delivery of this Agreement by University and the performance of University's obligations hereunder have been duly authorized by all necessary company or corporate action.

5.2.3 No Conflict. The execution and delivery of this Agreement by University, the consummation of the transactions herein contemplated, and the fulfillment of or the compliance with all of the provisions hereof will not conflict with or constitute on the part of University a violation of or a breach of or a default under, any charter instrument, bylaw, loan agreement, mortgage, deed of trust, pledge, note, lease, or loan, or installment sale agreement, contract, or other agreement or instrument to which University is a party.

5.2.4 Governmental Approvals. No consent, approval, permission, order, license, or authorization of, or the filing, registration, or qualification with any governmental authority on the part of University in connection with the execution, delivery, and performance of the University's obligations under this Agreement, is required except as shall have been obtained or shall be obtained in due course on or prior to the time required under applicable laws.

5.2.5 No Defaults. To University's knowledge, no event has occurred, and no condition exists that would constitute a default by the University hereunder or that, with the lapse of time or with the giving of notice or both, would become such a default by the University hereunder.

5.2.6 Pending Litigation. To University's knowledge, there are no actions, suits, proceedings, inquiries, or investigations pending or, to the knowledge of University, threatened against or affecting University in any court or by or before any governmental authority that involve the likelihood of materially and adversely affecting University's ability to perform its obligations under this Agreement, or that, in any way, would reasonably be expected to adversely affect the validity or enforceability of this Agreement.

6.0 GENERAL TERMS AND CONDITIONS

6.1 Expenses. All costs and expenses paid or incurred in connection with or incident to this Agreement and the performance and consummation of the transactions contemplated hereby shall be borne by the party paying or incurring same.

6.2 No Modification. This Agreement may only be modified, amended, or expanded by a by written agreement. Any unauthorized written change, amendment, or modification is void and without effect. No oral statement of any person shall modify or otherwise affect the terms in this Agreement.

6.3 No Waiver of Performance or Breach; Rights Cumulative. (a) Failure by the Sovereign or the University at any time to enforce a provision of, or exercise a right under, the Agreement shall not be construed as a waiver of any such provision. Such failure to enforce or exercise shall not affect the validity of any section, or any part thereof, or the right of the Sovereign or the University to enforce any provision of, or exercise any right under, the Agreement at any time in accordance with its terms. (b) A waiver of a breach of any provision of the Agreement shall not affect or waive a subsequent breach of the same provision or a breach of any other provision in the Agreement. (c) No right or remedy conferred in the Agreement upon or reserved to the Sovereign or to the University is intended to be exclusive of any other right or remedy. Each and every right and remedy shall be cumulative and in addition to any other right or remedy provided in the Agreement. (d) The failure by either party to insist upon the strict observance or performance of any of the provisions of the Agreement or to exercise any right or remedy shall not impair any such right or remedy or be construed as a waiver or relinquishment with respect to subsequent defaults.

6.4 Interpretation of Contract. The Sovereign and University acknowledge that each has had an opportunity to consult with their legal counsel during negotiation and drafting of the Agreement. The Agreement has been prepared by both the Sovereign and University equally and is to be interpreted according to its terms. Accordingly, the parties agree that any rule of construction that disfavors the drafting party shall not apply in the interpretation of the Agreement or any amendment, restatement, modification or supplement, schedule, or exhibit hereto.

6.5 Applicable Law and Venue. This Agreement shall be governed by the laws of the State of Oklahoma without regard to its principles of conflicts of laws. Any action arising out of this Agreement shall be filed in the District Court of Cleveland County.

6.6 Contract Assignment. No right or duty, in whole or in part, of either party under this Agreement may be assigned or delegated without the prior written consent of the other.

6.7 Force Majeure. Except as provided otherwise in the Agreement, the performance by either Party hereunder shall be excused to the extent of unforeseen circumstances beyond such Party's reasonable control, including, but not limited to: National Weather Service forecasted weather events, hurricanes, tsunamis, floods, ice storms, lightning, landslides or similarly cataclysmic occurrence, or other acts of God; extended power outages; epidemics, pandemics, or related outbreaks if declared by the World Health Organization or federal government; county, state, or national declaration(s) of emergency as issued by an authorized government entity; war, acts of terrorism, or acts of public enemies; sabotage, riots or civil disturbances; or material destruction of facilities. In such event, the Parties agree to use their reasonable efforts to resume performance as soon as reasonably possible under the circumstances giving rise to the Party's failure to perform, provided, however, if performance is not restored within thirty (30) days, either Party may terminate the Contract. For avoidance of doubt, the COVID-19 pandemic and any related local, state, or federal orders related thereto shall not be considered unforeseen circumstances under this **Section 6.7**.

6.8 Notice. Notices, invoices, communications, and payments (except for legal process) shall be (a) in writing and addressed to the parties' contacts as identified below and (b) deemed delivered on the date received as evidenced by registered or certified mail (postage prepaid) receipts or five (5) days after being deposited in the United States mail if such notice was not sent by registered or certified mail.

University:

Budget & Financial Planning
University of Oklahoma
660 Parrington Oval, Suite 207
Norman, OK 73019

Sovereign:

Sovereign Properties Holdco, LLC
1921 Craddock Road
Ada, Oklahoma 74820

With copy to:

Real Estate Operations
University of Oklahoma
510 East Chesapeake St, Rm. 105
Norman, OK 73019

With copy to:

Legal Department
2020 Lonnie Abbott Blvd.
Ada, OK 74820

and

Office of Legal Counsel
University of Oklahoma
660 Parrington Oval, Suite 213
Norman, Oklahoma 73019

6.9 Binding Effect. (a) Each Section of this Agreement shall be separate and independent and constitutes is legally binding upon the parties to the extent not prohibited by applicable law. (b) This Agreement shall have no legal force and effect until it is approved as to form and signed by an authorized designates of the parties and neither shall assume any liability for performance of services under the terms of this Agreement until each party is notified that this Agreement has been executed.

6.10 Entire Agreement. This written Agreement, with referenced parts, addendums, and attachments, shall constitute the entire agreement between the parties and no other terms and conditions in any document, acceptance or acknowledgment shall be effective or binding unless expressly agreed to in writing by the parties. Additionally, no statement, discussions or negotiations shall be deemed or interpreted to be included in the Agreement unless specifically and expressly provide herein.

6.11 Severability. Should any part of this Agreement be held to be invalid, such invalidity shall not affect the balance of that provision or the remaining provisions of this Agreement, which shall remain in full force and effect.

6.12 Third Party Beneficiaries. There shall be no third-party beneficiaries of this Agreement and none of the provisions of this Agreement shall be for the benefit of any third party.

6.13 Captions; Titles. The headings, captions, or titles of the several Sections and other subdivisions of this Agreement shall be solely for convenience of reference and shall not limit or otherwise affect the meaning, construction or effect of this Agreement or describe the scope or intent of any provisions hereof.

6.14 Conflict Among Documents. In the event of a conflict between this Agreement and any referenced documents, addendums or attachments, the terms of this Agreement shall control.

6.15 Counterparts. This Agreement may be executed in counterparts each of which shall be considered as an original and all such counterparts shall be but one agreement.

***** Signature Page to Follow *****

***** Signature Page for Asset Purchase Agreement and Termination of Ground Lease & Sublease Agreement *****

**BOARD OF REGENTS OF THE
UNIVERSITY OF OKLAHOMA**

SOVEREIGN

By: Joseph Harroz, Jr.



President

Date of Execution:

12/16/2021

By: Alan Marcum

Click or tap here to enter text.

Chief Executive Officer

Date of Execution:

Click or tap here to enter text.

*** *Signature Page for Asset Purchase Agreement and Termination of Ground Lease & Sublease Agreement* ***

*BOARD OF REGENTS OF THE
UNIVERSITY OF OKLAHOMA*

SOVEREIGN

By: Joseph Harroz, Jr.

By: Alan Marcum

R. Alan Marcum

President

Chief Executive Officer

Date of Execution:

Date of Execution:

12-17-2021
