

MEMORANDUM AGREEMENT

This Memorandum Agreement dated August 1, 2010 by and between the Clinton Public Schools (the District) and the City of Clinton and the Clinton Public Work Authority (the City) shall provide as follows:

For and in consideration of the City acting as a conduit issuer in the Clinton Public Works Authority Lease Revenue Bonds Series 2010 (Clinton Public Schools Project) financing, the District does pledge and agree:

(a) Construction. To promptly commence and complete or cause the completion of the construction, furnishing and equipping of the Improvements in accordance with the "Plans and Specifications for Improvements and Schedule for Completion" as may be prepared at the direction of the District, said Plans and Specifications being incorporated herein for all purposes (the "Plans") and with any requirements in the Indenture; to pursue completion of construction of the Improvements with diligence and without cessation of work and shall complete the construction of the Improvements in accordance with the schedule set forth in the Plans.

(b) Additional Construction Requirements. The Improvements shall be constructed in a good and workmanlike manner using good grades of materials and an appropriately skilled work force and in accordance with all applicable local, state and Federal legal requirements; to promptly pay for all materials and Personal Property incorporated into or to be used in connection with the Improvements and for related labor costs of all contractors and subcontractors and keep the Premises free of Liens. During the course of the construction, the District shall maintain insurance in accordance with the Sublease and provide appropriate security for the job site to avoid damages to or the destruction of the Improvements or personal injury claims arising from the construction of the Improvements. The District shall not materially modify the Plans or construct or cause the constructions of the Improvements except substantially in accordance with the Plans without the prior written consent of the City.

(c) Costs of Construction. The Improvements shall be constructed, furnished and equipped solely at the direction of the District; provided, however, that so long as the District is not in default under the terms of the Sublease, it shall be entitled to seek payment for the costs of construction, furnishing and equipping of the Improvements from the proceeds of the Bonds pursuant to Section 4.02 of the Bond Indenture by the completion and submission to the Trustee of the "Form of Requisition Certificate" provided in the bond documents (the "Requisition"), which must be executed by the District, along with the documentation referred to in the Requisition and any further documentation or information requested by the Trustee or the City regarding the construction of the Improvements, including, but not limited to the following:

(i) Progress reports describing the progress of the construction of the Improvements and any problems which could affect the costs or timely completion of the Improvements in accordance with the Plans;

(ii) Copies of invoices verifying the costs of the construction of the Improvements;

(iii) Waivers or releases of mechanics' and materialmen's liens from contractors, subcontractors or suppliers who provide labor or materials for the construction of the Improvements;

(iv) Affidavits of commencement or completion of the Improvements and the payment of all costs in connection with the Improvements; or

(v) As-built plans or surveys on the completion of the construction of the Improvements.

(d) The execution of this Agreement and the implementation of the Resolutions regarding the financing and any undertaking contemplated hereby is strictly conditioned upon (i) the Authority's liability and undertakings contemplated by the foregoing Resolution shall be limited and shall not constitute an obligation of the Authority, the City of Clinton, Oklahoma, nor the State of Oklahoma, and said liability and obligation is payable solely from the pledged revenues and such other security as the Authority may provide; (ii) neither the general credit nor the taxing power of the Authority, the City of Clinton, Oklahoma, the State of Oklahoma nor any other political subdivision thereof being pledged for the payment of the bonds; and (iii) approval of the Indenture, the Bond Purchase Agreement and all other documents in connection therewith by the Authority.

Full responsibility for designing, bidding, and constructing the improvements shall rest with the District.

INDEPENDENT SCHOOL
DISTRICT 99, CUSTER COUNTY
(CLINTON PUBLIC SCHOOLS)

By: _____
President

ATTEST:

Clerk

CLINTON PUBLIC WORKS
AUTHORITY

By: _____
Chairman

ATTEST:

Clerk

CITY OF CLINTON

By: _____
Mayor

ATTEST:

City Clerk