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**BASE LEASE AGREEMENT**

**Dated as of June 1, 2022**

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**Between**

**CATHOLIC CARE CENTER, INC.,  
as Lessor**

**And**

**CITY OF BEL AIRE, KANSAS  
as Lessee**

**Relating to:**

**[\$[Principal Amount A]  
City of Bel Aire, Kansas  
Health Care Facilities  
Revenue Bond  
(Catholic Care Center)  
Series 2022A**

**[\$[Principal Amount B]  
City of Bel Aire, Kansas  
Health Care Facilities  
Revenue Bond  
(Catholic Care Center)  
Series 2022B**

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**BASE LEASE AGREEMENT**

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Exhibit A – Description of the Project

## BASE LEASE AGREEMENT

**THIS BASE LEASE AGREEMENT** dated as of June 1, 2022 (this “**Base Lease**”), by and between **CATHOLIC CARE CENTER, INC.**, a Kansas not for profit corporation, as lessor (the “**Corporation**”), and the **CITY OF BEL AIRE, KANSAS**, a municipal corporation organized and existing under the laws of the State of Kansas, as lessee (the “**Issuer**”).

### RECITALS:

**1.** The Corporation has requested that the Issuer issue its Health Care Facilities Revenue Bond (Catholic Care Center), Series 2022A, in the principal amount of \$[Principal Amount A] (the “Series 2022A Bond”) and its Health Care Facilities Revenue Bond (Catholic Care Center), Series 2022B, in the principal amount of \$[Principal Amount B] (the “Series 2022B Bond” and, together with the Series 2022A Bond, the “Series 2022 Bonds”), pursuant to the Bond Trust Indenture of even date herewith (the “**Bond Indenture**”) between the Issuer and Security Bank of Kansas City, as trustee (the “**Bond Trustee**”) for the purpose of providing funds to (i) refinance the Refinanced Obligations (as defined in the Bond Indenture), (ii) pay costs of purchasing, acquiring, constructing, reconstructing, improving, equipping, furnishing, repairing, enlarging or remodeling the Facility (as defined in the Bond Indenture), and (iii) pay certain costs related to the issuance of the Series 2022 Bonds.

**2.** In order to satisfy the requirements of the Act (as defined in the Bond Indenture), the Issuer proposes to purchase and acquire a leasehold interest in the Facility (as defined in the Bond Indenture) pursuant to this Base Lease and proposes to sublease the Facility to the Corporation pursuant to the Lease Agreement dated as of June 1, 2022 between the Issuer, as sublessor, and the Corporation, as sublessee (the “**Lease Agreement**”), for rentals which will be sufficient to provide for the payment of the principal, redemption premium, if any, and interest on the Series 2022 Bonds.

**3.** The Corporation proposes to lease the Facility to the Issuer and the Issuer desires to lease the Facility from the Corporation upon the terms and conditions and for the purposes set forth herein;

**NOW, THEREFORE**, for and in consideration of the premises and the mutual covenants hereinafter contained, the parties hereto agree as follows:

## ARTICLE I

### DEFINITIONS

**Section 1.1. Definitions.** The terms used herein and not otherwise defined herein shall have the meanings assigned to them in the Bond Indenture.

## ARTICLE II

### REPRESENTATIONS

**Section 2.1. Representations by Corporation.** The Corporation represents and warrants that:

(a) The Corporation is a not for profit corporation duly organized and existing under the laws of the State of Kansas, has power and authority to own its properties and carry on its business as now being conducted, and is duly qualified to do such business in the State of Kansas and wherever else such qualification is required.

(b) Neither the execution and delivery of this Base Lease, the consummation of the transactions contemplated hereby, nor the fulfillment of or compliance with the terms and conditions of this Base Lease conflicts with or results in a breach of the terms, conditions or provisions of any restriction or any agreement or instrument to which it is now a party or by which it is bound, or constitutes a default under any of the foregoing.

(c) The Corporation is the owner of the Facility.

**Section 2.2. Representations by Issuer.** The Issuer represents and warrants that:

(a) The Issuer is a municipal corporation organized and existing under the laws of the State of Kansas. Under the provisions of the Act, the Issuer has lawful power and authority to enter into the transactions contemplated by this Base Lease and to carry out its obligations hereunder. The Issuer has been duly authorized to execute and deliver this Base Lease, acting by and through its duly authorized officers. The Issuer agrees that it will do or use its best efforts to cause to be done all things necessary to preserve and keep in full force and effect the Issuer's existence.

(b) The Issuer is authorized, and has taken all necessary action, to issue the Series 2022 Bonds to provide funds for the purposes set forth in the Bond Indenture, and proposes by the Lease Agreement to sublease the Facility to the Corporation.

(c) No member of the governing body of the Issuer or any other officer of the Issuer has any significant or conflicting interest, financial, employment or otherwise, in the Corporation or in the transactions contemplated hereby.

## ARTICLE III

### LEASE OF THE FACILITY

**Section 3.1. Lease of the Facility.** The Corporation hereby, rents, leases and lets to the Issuer the Corporation's interest in the Facility, which Facility is described on **Exhibit A**, attached hereto and incorporated herein, and the Issuer rents, leases and hires the Facility from the Corporation, for rentals and upon and subject to the terms and conditions herein set forth, for a term commencing on the date hereof and ending on December 1, 2060; provided, however, this Base Lease shall remain in full force and effect so long as any obligation of the Corporation under the Lease Agreement shall be outstanding and so long as the Lease Agreement shall remain in effect (the "**Lease Term**"), unless sooner terminated in a manner provided for herein, provided that the Corporation shall not exercise any right so reserved in any manner that will interfere with any rights of the Issuer hereunder.

## ARTICLE IV

### QUIET ENJOYMENT; RENTAL PROVISIONS

**Section 4.1. Quiet Enjoyment.** The Corporation hereby covenants and agrees that it will not take any action, other than pursuant to **Article V, VII or VIII** of this Base Lease, to prevent the Issuer from having quiet and peaceable possession and enjoyment of the Facility during the Lease Term and will, at the request of the Issuer, and at the expense of the Corporation, cooperate with the Issuer in order that the Issuer may have quiet and peaceable possession and enjoyment of the Facility and will defend the Issuer's enjoyment thereof against all parties.

**Section 4.2. Consideration and Rentals.** The Issuer shall deposit the proceeds from the sale of the Series 2022 Bonds with the Bond Trustee in accordance with the Bond Indenture. Such deposit shall constitute full and complete payment of all rentals due hereunder and following such deposit the Issuer shall not have any obligation to make any payments to any Person in connection with this Base Lease.

**Section 4.3. Sublease by Issuer.** It is understood and agreed by the Issuer and the Corporation that the Issuer will sublease the Facility to the Corporation pursuant to the Lease Agreement. The Issuer shall at no time agree to any amendment or modification of the provisions of the Lease Agreement without the prior written consent of the Corporation and the Bond Trustee.

**Section 4.4. Payment of Taxes.** The Corporation covenants and agrees that it will, from time to time, promptly pay and discharge or cause to be paid and discharged when due and prior to delinquency all taxes, assessments and other governmental charges lawfully imposed upon the Facility or any part thereof or upon the income and profits thereof.

## ARTICLE V

### SPECIAL COVENANTS

**Section 5.1. Granting of Easements.** If no Event of Default under this Base Lease shall have happened and be continuing, the Corporation may, to the extent permitted under the Bond Indenture, at any time or times (a) grant easements, licenses, rights-of-way and other rights or privileges in the nature of easements with respect to any property included in the Facility, or (b) release existing easements, licenses, rights-of-way and other rights or privileges, all with or without consideration and upon such terms and conditions as the Corporation shall determine. The Issuer agrees that it will execute and deliver or will cause and direct the Bond Trustee to execute and deliver any instrument necessary or appropriate to confirm and grant or release any such easement, license, right-of-way or other right or privilege or any such agreement or other arrangement, upon receipt by the Issuer and the Bond Trustee of (i) a copy of the instrument of grant or release or of the agreement or other arrangement, (ii) a written application signed by the Corporation Representative requesting such instrument, and (iii) a certificate executed by the Corporation Representative stating that such grant or release is not detrimental to the proper conduct of the business of the Corporation, is permitted by the Bond Indenture, will not impair the effective use or interfere with the efficient and economical operation of the Facility, and will not materially adversely affect the security intended to be given by or under the Bond Indenture.

## **Section 5.2. Indemnification.**

(a) The Corporation releases the Issuer and the Bond Trustee from, agrees that the Issuer shall not be liable for, and indemnifies the Issuer and Bond Trustee against, all liabilities, losses, damages (including reasonable attorneys' fees), causes of action, suits, claims, costs and expenses, demands and judgments of any nature imposed upon or asserted against the Issuer on account of: (i) any loss or damage to property or injury to or death of or loss by any person that may be occasioned by any cause whatsoever pertaining to the construction, maintenance, operation and use of the Facility; (ii) any breach or default on the part of the Corporation in the performance of any covenant or agreement of the Corporation under the Transaction Documents, or any related document, or arising from any act or failure to act by the Corporation, or any of its agents, contractors, servants, employees or licensees; (iii) violation of any law, ordinance or regulation affecting the Facility or a part thereof or the ownership, occupancy or use thereof; (iv) the authorization, issuance and sale of the Series 2022 Bonds, and the provision of any information furnished in connection therewith concerning the Facility or the Corporation (including, without limitation, any information furnished by the Corporation for inclusion in, or as a basis for preparation of, the information statements filed by the Issuer) or arising from (1) any errors or omissions of any nature whatsoever such that the Series 2022 Bonds, when delivered to the owners thereof, are not validly issued and binding obligations of the Issuer or (2) any fraud or misrepresentations or omissions contained in the proceedings of the Issuer furnished by or attributable to the Corporation relating to the issuance of the Series 2022 Bonds or pertaining to the financial condition of the Corporation which, if known to the Bondholders, might be considered a material factor in the decision to purchase the Series 2022 Bonds; and (v) any claim or action or proceeding with respect to the matters set forth in subsections (i), (ii), (iii) and (iv) above brought thereon; provided, however, the indemnification contained in this paragraph shall not extend to the Issuer if such loss, claim, damage, liability or expense is the result of (a) the Issuer's (or any employees or agents thereof) own willful and malicious misconduct, or

(b) the Issuer not following the valid written instructions of the Corporation or the Bond Trustee relating to the Series 2022 Bonds delivered to the Issuer pursuant to the terms of the Bond Documents.

(c) In case any action or proceeding is brought against the Issuer in respect of which indemnity may be sought hereunder, the Issuer shall promptly give notice of that action or proceeding to the Corporation, and the Corporation upon receipt of that notice shall have the obligation and the right to assume the defense of the action or proceeding; provided, that failure of the Issuer to give that notice shall not relieve the Corporation from any of its obligations under this Section unless that failure prejudices the defense of the action or proceeding by the Corporation. The Issuer may employ separate counsel and participate in the defense at its own expense. The Corporation shall not be liable for any settlement without its consent.

(d) The indemnification set forth above is intended to and shall include the indemnification of all affected members of the Issuer's governing body, officials, officers, attorneys, accountants, financial advisors, staff and employees of the Issuer. Such indemnification is intended to and shall be enforceable by the Issuer to the full extent permitted by law.

## ARTICLE VI

### ASSIGNMENT, SUBLEASING AND MORTGAGING

**Section 6.1. No Assignment, Subleasing and Mortgaging of the Facility by the Issuer.** The Issuer agrees that, except for the assignment of its interest in the Lease Agreement to the Bond Trustee pursuant to the Bond Indenture, it will not sell, assign, convey, mortgage, encumber or otherwise dispose of its interest in this Base Lease or any part of its interest in the Facility except as permitted by this Base Lease and the Lease Agreement during the Lease Term. If the laws of the State of Kansas at the time shall so permit, nothing contained in this Section shall prevent the consolidation of the Issuer with, or merger of the Issuer into, or transfer of the complete interest of the Issuer in the Facility to, any municipal or public corporation whose property and income are not subject to taxation and which has corporate authority to carry on the business of leasing the Facility; provided that, upon any such consolidation, merger or transfer, the due and punctual performance and observance of all the agreements and conditions of this Base Lease to be kept and performed by the Issuer, shall be expressly assumed in writing by such entity resulting from such consolidation or surviving such merger or to which the Issuer's complete interest in the Facility shall be transferred.

**Section 6.2. Subordination to Master Trustee.** The Issuer acknowledges that the Corporation has granted a Mortgage, Security Agreement, and Assignment of Leases and Rents of even date herewith (the "**Mortgage**"), UCC financing statements and other security documents on the Facility to the Master Trustee in connection with the issuance of the Series 2022 Bonds. The Issuer agrees that in such case this Base Lease would be subject to and subordinate to the Mortgage and such other security documents and that the Master Trustee shall not be required to grant any rights of non-disturbance with respect to this Base Lease. Upon the request of the Corporation, the Issuer shall provide any additional documentation evidencing such subordination as required by the Master Trustee.

## ARTICLE VII

### DEFAULT AND REMEDIES

**Section 7.1. Events of Default.** An "Event of Default" or "default" shall mean, wherever used in this Base Lease, any failure by the Issuer to observe and perform any covenant, condition or agreement in this Base Lease on its part to be observed or performed and the lapse of a period of 60 days after written notice, specifying such failure and requesting that it be remedied, given to the Issuer and the Bond Trustee by the Corporation, unless the Corporation shall agree in writing to an extension of such time prior to its expiration.

**Section 7.2. Remedies on Default.** Whenever an Event of Default specified in **Section 7.1** hereof shall have happened and be continuing, the Corporation shall have the option to provide for the termination of this Base Lease in the manner provided in **Article VIII**. The Issuer and the Corporation shall each be entitled to specific performance and injunctive or other equitable relief for any breach or threatened breach of any of the provisions of this Base Lease, notwithstanding availability of an adequate remedy at law, and each party hereby waives the right to raise such defense in any proceeding in equity; provided, however, no remedy shall be exercised against such party in any manner which may impair the payment of principal of, premium, if any, or interest on any of the Series 2022 Bonds.



**Section 7.3. Performance by Issuer.** The Issuer shall not be obligated to take any action or execute any instrument pursuant to any provision hereof until it shall have been requested to do so by the Corporation in writing, or shall have received the instrument to be executed, and at the Issuer's option shall have received from the Corporation assurance or indemnity satisfactory to the Issuer that the Issuer shall be reimbursed for its reasonable expenses incurred or to be incurred in connection with taking such action or executing such instrument. Nothing in this Section is intended to imply that the Issuer must take any action or execute any instrument unless specifically required to do so by this Base Lease.

## ARTICLE VIII

### EARLY TERMINATION OF THIS BASE LEASE AGREEMENT; RELEASE OF PORTION OF FACILITY

#### Section 8.1. Early Termination of this Base Lease.

(a) In the event the Corporation shall cause all of the Bonds to be paid in the manner set forth in **Article XI** of the Bond Indenture, the Corporation shall be entitled to terminate this Base Lease prior to the end of the Lease Term upon written notice to the Issuer and the Bond Trustee. Upon such termination the Issuer shall deliver to the Corporation any instruments which may be reasonably required by the Corporation to evidence such termination and the relinquishment of all of the Issuer's rights and interest in the Facility and in this Base Lease.

(b) In the event that the Master Trustee exercises its rights of foreclosure pursuant to the terms of the Mortgage and subsequently takes title to the Facility, the Master Trustee, shall be entitled to terminate this Base Lease upon five (5) days written notice to the Issuer, provided, that the Corporation shall remain liable for all outstanding amounts owed to Issuer under this Base Lease or the Lease Agreement, including, but not limited to, the payment of principal, premium, if any, or interest on any of the Series 2022 Bonds.

**Section 8.2 Release of Portion of Facility.** A portion of the Facility may be released from the provisions of this Base Lease to the extent such portion of the Facility has been released from the Mortgage upon compliance with **Section 12** of the Mortgage. The Issuer and the Corporation shall execute a supplement to this Base Lease as necessary to effectuate such release.

## ARTICLE IX

### MISCELLANEOUS

**Section 9.1. Notices.** All notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed given to the appropriate notice address by the methods set forth in the Bond Indenture. A duplicate copy of each notice, certificate or other communication given hereunder by either the Issuer or the Corporation to the other shall also be given to the Bond Trustee and the Master Trustee. A duplicate copy of each notice given by the Issuer or the Corporation or either of them to the Bond Trustee shall also be given to the other party hereto. The Issuer, the Corporation and the Bond Trustee may, by notice given hereunder, designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent.

**Section 9.2. Binding Effect.** This Base Lease shall inure to the benefit of and shall be binding upon the Issuer, the Corporation and their respective successors and assigns. The Bond Trustee, the Master Trustee, and Bondholders shall be third-party beneficiaries of this Base Lease.

**Section 9.3. Severability.** In the event any provision of this Base Lease shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

**Section 9.4. Amounts Remaining in Funds and Accounts.** It is agreed by the parties hereto that any amounts remaining in the Funds and Accounts under the Bond Indenture upon (i) expiration or sooner termination of this Base Lease as provided herein or after payment in full of the Bonds (or provision for payment thereof having been made in accordance with the provisions of the Bond Indenture), and (ii) payment of fees and expenses of the Bond Trustee in accordance with the Bond Indenture, shall be paid in accordance with the provisions of the Bond Indenture.

**Section 9.5. Amendments, Changes and Modifications.** Subsequent to the issuance of the Series 2022 Bonds and prior to their payment in full (or provision for the payment thereof having been made in accordance with the provisions of **Article XI** of the Bond Indenture), this Base Lease may not be effectively amended, changed, modified, altered or terminated without the written consent of the parties hereto and the Bond Trustee.

**Section 9.6. Execution in Counterparts.** This Base Lease may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

**Section 9.7. Electronic Transactions.** The parties agree that the transactions described herein may be conducted and related documents may be received, sent or stored by electronic means. Copies, telecopies, facsimiles, electronic files, and other reproductions of original executed documents shall be deemed to be authentic and valid counterparts of such original documents for all purposes, including the filing of any claim, action or suit in the appropriate court of law.

**Section 9.8. Applicable Law.** This Base Lease shall be governed by and construed in accordance with the laws of the State of Kansas.

**Section 9.9. Captions.** The captions or headings in this Base Lease are for convenience only and in no way define, limit or describe the scope or intent of any provisions or sections of this Base Lease.

*[Remainder of page intentionally left blank.]*

**IN WITNESS WHEREOF**, the Issuer has caused this Base Lease to be executed in its name and its seal to be hereunto affixed and attested by its duly authorized officers and the Corporation has caused this Base Lease to be executed in its name by its duly authorized officer all as of the date first above written.

**CATHOLIC CARE CENTER, INC.**

By: \_\_\_\_\_  
Title: Chief Executive Officer

**CITY OF BEL AIRE, KANSAS**

(Seal)

By: \_\_\_\_\_  
Name: Jim Benage  
Title: Mayor

ATTEST:

\_\_\_\_\_  
Name: Melissa Krehbiel  
Title: City Clerk

## **EXHIBIT A**

### **Description of the Facility**

All real property, buildings, improvements, equipment, furnishings and machinery owned or leased by the Corporation and financed or refinanced in whole or in part with the proceeds of the Series 2022 Bonds and any Additional Bonds and located or to be located on the following property:

[\*Legal description to come.\*]

Exhibit A