



June 17, 2024

Mr. James Rudek
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Sent Via FedEx

RE: NOTICE of EVENT OF DEFAULT – Great Plains Correctional Facility

Mr. Rudek:

This letter shall serve as written Notice to ODOC of an Event of Default under the terms of the Great Plains Lease Agreement (the “Lease”) between MUNICIPAL CORRECTIONS FINANCE, L.P. (“Landlord”) and the OKLAHOMA DEPARTMENT OF CORRECTIONS (“Tenant”) dated April 18, 2023. It is to be noted that Municipal Corrections Finance, L.P. is a wholly-owned subsidiary of The GEO Group, Inc.

Lease Section 19.1 **Default**, subsection 19.1.2, defines as a Tenant Default:

19.1.2 Tenant’s failure to keep, observe, perform, meet or comply with any covenant, agreement, term, or provision of this Lease required to be kept, observed, met, performed, or complied with by Tenant, which such failure continues for a period of 30 days after Tenant has received a written notice of Event of Default from Landlord;

Tenant’s obligations with respect to its Facility maintenance obligations is set forth in Lease Section 9.1 **Tenant’s Obligations**, which states, in pertinent part:

Tenant agrees that, from and after the Commencement Date and until the end of the Term, it will be responsible for all day-to-day maintenance, and shall keep and maintain in good order, condition, and repair, and replace as necessary, the interior nonstructural portions of the Premises, suffering no waste or injury. Tenant shall keep and maintain all portions of the Premises, including, without limitation, the fixtures and equipment thereof and the bathrooms and lavatory facilities contained therein, if any, in a safe, secure, clean and orderly condition, free of accumulation of dirt, rubbish, and other obstructions, and Tenant shall not permit or suffer any overloading of the floors of the Buildings. Tenant shall not permit anything to be done upon the Premises to invalidate, in whole or in part, or prevent the procurement of any insurance policies which may, at any time, be required under the provisions of this Lease.

Under Lease Section 9.2 **Landlord's Obligations**, ODOC is responsible for performing all necessary repairs of the damaged areas of the prison caused by "Tenant's willful misconduct or intentional neglect." Exhibit C to the Lease states that if "the material repair or replacement is due to Tenant's failure to perform Tenant's routine maintenance and repairs pursuant to Section 9.1 of the Lease . . . Tenant shall be responsible for such work."

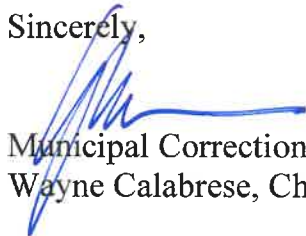
Recent and repeated Landlord inspections of the Great Plains Facility, as evidenced by the enclosed Report and extensive photographs, reveal that the condition of the Facility has been severely compromised by the Department's failure to adequately supervise and prevent state Offenders housed at the Facility from damaging the Facility, and/or to perform Tenant's required day-to-day maintenance obligations. These failures constitute "Tenant's failure to keep, observe, perform, meet or comply with any covenant, agreement, term, or provision of this Lease required to be kept, observed, met, performed, or complied with by Tenant" as set forth in Section 9.1 of the Lease.

We estimate the current cost of repairing the damage caused by ODOC Offenders to be approximately \$3 million. We note that under Lease Section 20.1 **Remedies**, subsection 20.1.3, for Defaults under Section 19.1.2, Landlord is entitled to Liquidated Damages in the amount of Six Million Dollars (\$6,000,000.00), based upon prior extensive leasehold improvements made to the Facility.

As noted in the attached Facility Assessment Report and extensive associated photographs, substantial damage has been caused throughout the Great Plains Facility by the Department's failure to provide adequate security staff to properly supervise and manage the Offenders housed at the Facility and by the Department's failure to provide adequate staffing to perform its daily routine maintenance and repairs as required under the terms of the Lease.

Pursuant to the terms of Lease subsection 19.1.2, the Department has thirty (30) days in which to remedy its failure to perform its obligations under the Lease by repairing all damaged areas and systems in the Great Plains Facility. If the repairs are not completed on or before July 17, 2024, Landlord will issue a Termination of Lease pursuant to Section 20.1 **Remedies**, subsection 20.1.1. Please let us know if you would like us to schedule a video conference call to discuss this Event of Default Notice.

Sincerely,



Municipal Corrections Finance, L.P.
Wayne Calabrese, Chief Operating Officer

Cc: ODOC: Jason Sparks; Kari Hawkins
Oklahoma Board of Corrections
Senate President Pro Tempore Greg Treat; Senate Appropriations Chair Chuck Hall