

3.M-2

**MORTGAGE**

**THIS MORTGAGE** is made on this \_\_\_\_\_ day of \_\_\_\_\_, 2015, by **RIVER CITY DEVELOPMENT, LLC, an Oklahoma Limited Liability Company**, (the "**Mortgagor**"), having a principal mailing address at 427 S. Boston Avenue, Suite 915, Tulsa, Oklahoma 74103 in favor of the **Tulsa Development Authority** (the "**Mortgagee**"), which term shall be construed to include Mortgagee's successors and assigns), having a principal mailing address at 1216 N. Lansing Avenue, Suite A, Tulsa, Oklahoma 74106.

**1.00 RECITALS**

**1.01 The Loan**

Mortgagor is or intends to become indebted to Mortgagee for a Loan not to exceed the principal sum of One Million Three Hundred Thousand Dollars (\$1,300,000.00), to be advanced pursuant to the Redevelopment Agreement, effective as of the \_\_\_\_\_ between Mortgagor and Mortgagee (the "Contract") for the construction of a minimum of seventy (70) residential apartment units as a part of the Meridia mixed urban use project (the "Redevelopment Project") in a building located at 522 S. Boston Avenue, Tulsa, Oklahoma, being The South Fifty (50) feet of Lot Three (3) and all of Lot Four (4), block One Hundred Forty-Eight (148), ORIGINAL TOWN, now CITY OF TULSA, Tulsa County, State of Oklahoma, according to the Official Plat thereof, as evidenced by the Promissory Note of Mortgagor dated \_\_\_\_\_, 2015 (the "Note").

**1.02 Obligations Secured**

This Mortgage secures:

- (a) the full and punctual payment of the Loan according to the terms of the Note;
- (b) the payment of all sums due to Mortgagee according to the terms of any of the Loan Documents; and
- (c) performance of, and compliance with all of the obligations of Mortgagor (expressed or implied) contained in the Contract and Note.

**2.00 DEFINITIONS**

**2.01 Contract.**

Contract means the Redevelopment Agreement effective as of the \_\_\_\_ day of \_\_\_\_\_, 2015, and as amended from time to time between the Mortgagor and Mortgagee concerning *inter alia*, advances of the Loan proceeds

for purposes of construction of a minimum of seventy (70) residential apartment units as a part of the Meridia mixed urban use project in a building located at 522 S. Boston Avenue, Tulsa, Oklahoma 74103 and related amenities (hereinafter defined as the "Redevelopment Project"), including all current and future supplements, amendments and attachments thereto. Redevelopment Mortgage(s) means one or more mortgages in effect from time to time but not exceeding the aggregate principal sum of Eleven Million Seven Hundred Nineteen Thousand Two Hundred and Fifteen Dollars (\$11,719,215.00) plus 10% on the Property (as hereafter defined) for the purpose of funding the Redevelopment Project and its related amenities.

**2.02 Encumbrances**

Encumbrances includes all liens, mortgages, rights, leases, restrictions, easements, covenants, agreements, rights of way, rights of redemption, security interests, conditional sales agreements, land installment contracts, options, and all other burdens or charges.

**2.03 Property**

Property means the real estate more particularly described in **Exhibit "A"** to this Mortgage.

**2.04 Loan**

Loan means the loan by Mortgagee to Mortgagor in the principal amount of One Million Three Hundred Thousand Dollars (\$1,300,000.00), without interest, as evidenced by the Note.

**2.05 Loan Documents**

Loan Documents means this Mortgage, the Note, the Contract, a Financing Statement and any and all other certificates, opinions, assignments and documents executed in connection herewith or therewith, and all current and future supplements, amendments, and attachments hereto.

**2.06 Mortgage**

Mortgage means this instrument, including all current and future supplements, amendments and attachments thereto.

**2.07 Mortgagee**

Mortgagee means Tulsa Development Authority, Mortgagee's successors and

Assigns, and any subsequent holder of the Note.

**2.08 Mortgagor**

Mortgagor means River City Development, LLC, an Oklahoma Limited Liability Company, its successors and assigns, including any subsequent owner of all or any portion of Mortgagor's interest in the Mortgaged Property.

**2.09 Note**

Note means the promissory note of Mortgagor of even date herewith in the principal sum of One Million Three Hundred Thousand Dollars (\$1,300,000.00), payable to the order of Mortgagee and evidencing the Loan, including all current and future supplements, amendments and attachments thereto.

**2.10 Redevelopment Project**

Redevelopment Project means the construction of a minimum of seventy (70) residential apartment units as a part of the Meridia mixed urban use project in a building located at 522 S. Boston Avenue, Tulsa, Oklahoma 74103 and related amenities (hereinafter defined as the "Redevelopment Project"), and as described in the Contract and the Note.

**2.11 Redevelopment Mortgage(s)**

Redevelopment Mortgage(s) means one or more mortgages in effect from time to time not exceeding a combined principal balance of Eleven Million Seven Hundred Nineteen Thousand Two Hundred and Fifteen Dollars (\$11,719,215.00) plus 10% on the Property for the purpose of funding the Redevelopment Project.

**2.12 Risk**

Risk includes risk of loss or damage by fire, lightning, windstorm, hail, explosion, riot, riot attending a strike, civil strife, civil commotion, aircraft, vehicles, smoke, vandalism, malicious mischief, flood, and any other risk customarily insured against by persons inhabiting property similar in kind to the Mortgaged Property.

**2.13 Taking**

Taking includes any taking by condemnation or eminent domain, any sale in lieu of condemnation under threat thereof, the alteration of the grade of any street, or any other injury to or decrease in the value of the Mortgaged Property by any public or quasi-public authority or corporation or any other person having the power of eminent domain.

## **2.14 Taxes**

Taxes includes all taxes, excises, documentary stamp and transfer taxes, recording taxes, assessments, water rents, sewer rents, metropolitan district charges, sanitary district charges, public dues, and other public charges levied or assessed upon the Mortgaged Property, upon the Loan, or upon any Loan Document, except the Oklahoma mortgage tax.

## **2.15 Term and Due Date:**

This Mortgage shall be for a term commencing on the execution hereof with all sums secured hereby due and payable in full on \_\_\_\_\_ which date is six (6) years from the satisfaction of Section 15 of the Redevelopment Agreement between the parties.

## **3.00 GRANTING CLAUSES**

### **3.01 Lien on Real Property**

Mortgagor, in consideration of the Loan and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, grants and mortgages, with power of sale, to Mortgagee all of the Land situated in Tulsa County, Oklahoma, described more particularly in Exhibit "A" attached hereto as a part hereof, subject only to (i) reasonable utility easements, building restrictions of record and (ii) the Redevelopment Mortgage(s) not exceeding the principal balance of Eleven Million Seven Hundred Nineteen Thousand Two Hundred and Fifteen Dollars (\$11,719,215.00) plus 10% on the Property for the purpose of funding the Redevelopment Project together with:

- (a) all buildings and improvements now or hereafter located thereon;
- (b) all rights, rights of way, air rights, riparian rights, easements, tenements, hereditaments, appurtenances, accessions and other rights and privileges now or hereafter belonging to the Land or the buildings and improvements thereupon, now owned or hereafter acquired by Mortgagor.

### **3.02 Lien on Fixtures and Personal Property**

Mortgagor further grants, mortgages and assigns to Mortgagee the following fixtures and personal property owned by Mortgagor, to wit:

- (a) all building supplies, materials and products located on or intended for use in the rehabilitation or construction of the improvements financed with the proceeds of the Loan;
- (b) all machinery, equipment, materials, appliances, chattels and fixtures

now or hereafter erected or placed in or upon the Land or now or hereafter attached to or used in connection with the Land, whether or not the same have or would become part of the Land by attachment hereto, including, without limitation, all draperies, screens, awnings, storm windows and doors, window shades, cabinets, partitions, floor coverings, ranges, refrigerators, boilers, tanks, furnaces, radiators and all heating, lighting, plumbing, gas, electric, ventilating, refrigerating, air conditioning, fire prevention, fire extinguishing, kitchen and incinerating equipment of whatsoever kind and character; also any permits, licenses, contracts, certificates and other rights and privileges obtained or retained in connection with the Redevelopment Project.

### **3.03 Lien on Other Rights**

Mortgagor further grants, subject to the Redevelopment Mortgage(s), and assigns to Mortgagee all of the estate, right, title, use, claim and demand of every nature whatsoever, at law or in equity, which Mortgagor may now have or may hereafter acquire in and to the Property and all right, title, interest of Mortgagor in an to all extensions, betterments, renewals, substitutions and replacements of, and all additions and appurtenances to, the Property, hereafter acquired by or released to Mortgagor, or constructed, assembled or placed by or for Mortgagor, on the Property, and all in conversion of the security constituted thereby.

### **3.04 Lien on Insurance Policies and Condemnation Awards**

Mortgagor further grants, subject to the Redevelopment Mortgage(s), and assigns to Mortgagee all insurance policies and insurance proceeds pertaining to the Property and all awards or payments, including interest thereon and the right to receive the same, which may be made with respect to the Property as a result of any taking or any injury to or decrease in the value of the Property.

### **3.05 Mortgaged Property**

All of the property described in this Section 3.00 is collectively called the Mortgaged Property.

### **3.06 Security Interest Under the Uniform Commercial Code**

Any portion of the Mortgaged Property which by law is or may be real property shall be deemed to be a part of the Real Property for the purposes of this Mortgage. The remainder of the Mortgaged Property shall be subject to the Uniform Commercial Code, and this Mortgage shall constitute a Security Agreement with respect thereto. Mortgagor hereby grants to Mortgagee a security interest in that portion of the Mortgaged Property not deemed a part of the Real Property for the purpose of securing performance of all of Mortgagor's obligations under the Loan Documents and agrees, upon request, to

execute a Financing Statement sufficient to permit Mortgagee to perfect such security interest, subject to the Redevelopment Mortgage(s). With respect to such security interest:

- (a) Mortgagee may exercise all rights granted or to be granted to a secured party under the Uniform Commercial Code as enacted in the State of Oklahoma; and
- (b) upon the occurrence of an Event of Default, as defined hereunder, Mortgagee shall have a right of possession superior to any right of possession of Mortgagor or any person claiming through or on behalf of Mortgagor.

#### **4.00 DEFEASANCE**

##### **4.01 Termination of Mortgage**

If all obligations of Mortgagor under this Mortgage and the other Loan Documents, are paid and satisfied in accordance with the terms hereof and thereof, the estate hereby granted shall cease and the Mortgaged Property shall be released to Mortgagor.

#### **5.00 REPRESENTATIONS AND WARRANTIES**

##### **5.01 Warranty of Title and Further Assurances**

Mortgagor warrants that Mortgagor has the right and authority to encumber the Mortgaged Property, subject to the Redevelopment Mortgages pursuant to the provisions set forth in the Contract and the terms of the Title Insurance Policy covering the Mortgaged Property. Mortgagor further warrants that it will execute such further assurances as may be requested.

#### **6.00 COVENANTS, RIGHTS, AND DUTIES OF GRANTOR GENERALLY**

##### **6.01 Covenant to Pay Loan and to Perform Obligations Under the Terms of the Loan Documents**

Mortgagor covenants that Mortgagor will on the due date:

- (a) pay Mortgagee the principal of the Loan and all other costs and indebtedness secured hereby according to the terms of the Note; and
- (b) perform and satisfy all other obligations of Mortgagor under said Loan Documents.

### **6.02 Control by Mortgagor**

Until the happening of an Event of Default, Mortgagor shall have the right to possess and enjoy the Mortgaged Property in the manner set forth in the Contract.

### **6.03 Alterations and Additional Improvements**

After the completion of the construction of the improvements, repairs and rehabilitation of the Property contemplated by the Contract, Mortgagor shall make no structural alterations or material nonstructural alterations to the Mortgaged Property or construct any additional improvements which in any case, may adversely affect the use and enjoyment of the proposed redevelopment of the Mortgaged Property without the prior written consent of Mortgagee. All alterations or improvements consented to be Mortgagee shall be erected:

- (a) in a good and workmanlike manner strictly in accordance with all applicable laws;
- (b) entirely on the Property;
- (c) without encroaching upon any easement, right of way, or land of others;
- (d) so as not to violate any applicable use, height, set-back or other applicable restriction;
- (e) without permitting any mechanic's lien to attach to the Mortgaged Property which is not being contested; and
- (f) all alterations, additions and new improvements to the Mortgaged Property shall automatically be a part of the Mortgaged Property and shall be subject to this Mortgage.

### **6.04 Restriction on Encumbrances**

Mortgagor shall have provided Mortgagee with documentation reflecting any and all prior mortgages, deeds of trust or other security agreements which are a lien on the Mortgaged Property and have priority over this Mortgage as well as documentation relating to subsequent mortgages authorized by Mortgagee, which mortgages shall be, collectively, the Redevelopment Mortgage(s) as defined herein. The Redevelopment Mortgage(s) shall not exceed the total principal sum of Eleven Million Seven Hundred Nineteen Thousand Two Hundred and Fifteen Dollars (\$11,719,215.00) plus 10%. Provided that Mortgagee shall have acknowledged in writing receipt of such Redevelopment

Mortgage(s) documentation prior to the execution and filing thereof, and subject to the limitation as to total amount(s) thereof, Mortgagee consents to all such Redevelopment Mortgage(s). Except for the Redevelopment Mortgage(s), Mortgagor shall not allow any further encumbrances on the Mortgaged Property except as contemplated in the Contract. Mortgagor shall pay or cause to be paid all taxes, assessments and other charges, fines and impositions attributable to the Mortgaged Property which may attain a priority over this Mortgage, and leasehold payments or ground rents, if any. Mortgagor shall give Mortgagee prompt notice of any defaults in or under any Permitted encumbrances and any notice of foreclosure or threat of foreclosure. Mortgagor shall comply with Mortgagor's obligations under all Permitted Encumbrances. Mortgagee may, at Mortgagee's election, satisfy any Encumbrance (other than a Permitted encumbrance not then in default), and Mortgagor shall, on demand, reimburse Mortgagee for any sums advanced for such satisfaction together with interest at the legal judgment rate accruing from the date of satisfaction, which sums shall be secured hereby.

#### **6.05 Maintenance, Waste, Repair and Inspection**

Mortgagor shall:

- (a) keep and maintain the Mortgaged Property in good order, condition, and repair and make all equipment replacements and repairs necessary to insure that the security for the Loan is not impaired;
- (b) not commit or suffer any waste of the Mortgaged Property;
- (c) promptly protect and conserve any portion of the Mortgaged Property remaining after any damage to, or partial destruction of the Mortgaged Property;
- (d) promptly restore the balance of the Mortgaged Property which is damaged or destroyed;
- (e) promptly restore the balance of the Mortgaged Property remaining after any Taking;
- (f) permit Mortgagee or Mortgagee's designee to inspect the Mortgaged property at all reasonable times upon receipt of twenty-four (24) hours written notice; and
- (g) not make any material change in the grade of the Mortgaged Property or permit any excavation of or on the Mortgaged Property, except as may be necessary for foundation work contemplated by the Contract for Redevelopment .



#### **6.06 Restrictive Covenants, Zoning, etc.**

No restrictive covenant, zoning change, or other restriction affecting the Mortgaged Property may be entered into, requested by or consented to by Mortgagor without the prior written consent of Mortgagee, except that no prior written consent shall be required in the event that the Mortgagor subjects the Mortgaged Property to the Oklahoma Unit Ownership Estates Act, 11 O.S., Section 501, et seq., as amended.

### **7.00 INSURANCE AND CONDEMNATION**

#### **7.01 Casualty Insurance and Allocation in the Event of Loss**

Mortgagor shall keep the Mortgaged Property insured for the benefit of Mortgagor and Mortgagee against all Risks. The limits, form, coinsurance clauses, and insurer for all such policies shall be satisfactory to Mortgagee and shall be for an amount not less than current replacement construction costs to restore the Mortgaged Property to the condition present at the time of the loss, but for at least the sum of all liens, whichever is the higher amount. In the case of any loss, Mortgagor shall not be relieved from performing all remaining terms under the Note. Mortgagor shall deliver certificates evidencing such coverage to Mortgagee and provide proof of payment. The policies shall name Mortgagee as an insured, as its interest may appear, subject to the rights of the holder of the First Mortgage(s). Any proceeds received by the Mortgagee will, subject to the rights of the holder(s) of the First Mortgage(s), be held and applied in accordance with the terms of this Mortgage. Within fifteen (15) days prior to the expiration of the policy, Mortgagor shall supply Mortgagee with a renewal policy marked "Premium Paid." All proceeds under such policies shall be paid to Mortgagee to be applied:

- (a) if funds sufficient to restore the Mortgaged Property are available from such insurance proceeds (together with other funds supplied or caused to be supplied by Mortgagor) and no Default is then outstanding, to the restoration of the Mortgaged Property; or
- (b) if sufficient funds are not available to restore the Mortgaged Property or a Default is then outstanding, to prepayment of amounts due under the Note, subject to the rights of the holder(s) of the Redevelopment Mortgage(s). All moneys not utilized for the restoration of the Mortgaged Property shall be applied as a prepayment of amounts due under the Note, in inverse order of maturity. Proceeds of insurance to be used for restoration purposes shall be held by Mortgagee and disbursed under such terms and conditions, to such Persons, and at such times, as Mortgagee may determine.

#### **7.02 Condemnation and Allocation of Condemnation Awards**

Mortgagor immediately upon obtaining knowledge of the institution of any proceedings for a Taking shall notify Mortgagee of such proceedings. Mortgagee may participate in any such proceedings, and Mortgagor will, from time to time, deliver to Mortgagee all instruments requested by Mortgagee to permit such participation. Any award or payment made as a result of any Taking shall be assigned and paid to Mortgagee, subject to the terms of any mortgage, deed of trust or other security agreement with a lien which has priority over this Mortgage, including, without limitation, the Redevelopment Mortgage(s).

## **8.00 SUCCESSORS AND ASSIGNS BOUND**

- (a) The covenants and agreements herein contained shall bind, and the rights hereunder shall inure to the respective successors and assigns of Mortgagor and Mortgagee, subject to the Default provisions contained herein.

## **9.00 REHABILITATION AND CONSTRUCTION MORTGAGE**

### **9.01 General**

This is a redevelopment mortgage. The proceeds of the Loan evidenced by the Note will be disbursed by Mortgagee pursuant to the Contract as amended from time to time.

### **9.02 Rehabilitation**

Mortgagor hereby specifically covenants and agrees that:

- (a) Proceeds of the Loan shall be used solely for the purpose of completing the eligible expenditures, as set forth in the Contract, for redevelopment of the Mortgaged Property in the manner and to the extent required by the Mortgagee in order to meet the International Existing Building Code and in a good and workman like manner.
- (b) Construction of the improvements shall commence no later than ninety (90) days from the issuance of a building permit by the City of Tulsa, and shall be completed no later than eighteen (18) months from commencement of that date, unless otherwise agreed upon in writing by Mortgagor and Mortgagee, which agreement the Mortgagee shall not unreasonably withhold, delay or deny, or delayed by reason of Force Majeure as defined in the Note.

### **9.03 Disbursements**

The proceeds of the loan will be disbursed by the Mortgagee pursuant to terms of the Redevelopment Agreement between the parties including, without limitation, the terms and conditions set forth in the Advance Request form attached thereto.

## **10.00 DEFAULT**

### **10.01 Event of Default**

The occurrence of any of the following shall constitute an Event of Default:

(a) **Monetary Default**

The failure of the Mortgagor to pay any amounts due under the Loan Documents when due and payable.

(b) **Breach of Representations and Warranties**

Any representation or warranty made by Mortgagor herein or any statement or representation made in any of the Loan Documents that prove to have been incorrect in any material respect when made.

(c) **Insurance Provisions**

The failure of the Mortgagor to perform Mortgagor's obligations set forth in Section 7.00.

(d) **Receiver, Bankruptcy.**

(e) **If Mortgagor:**

1. applies for, or consents in writing to, the appointment of a receiver, trustee or liquidator for the Mortgaged Property, or of all or substantially all of Mortgagor's assets;
2. becomes unable to pay Mortgagor's debts as they become due;
3. makes an assignment for the benefit of creditors;
4. files a petition or an answer seeking a reorganization, composition, adjustment, arrangement with creditors, or takes advantage of any insolvency law;
5. files an answer admitting the material allegations of a petition filed against Mortgagor in any bankruptcy, reorganization, composition, adjustment, arrangement, or insolvency proceeding.

(e) Judgment

Any judgment against Mortgagor for an amount in excess of Fifty Thousand Dollars (\$50,000) which remains, and is not paid, stayed, discharged, bonded or dismissed for a period of thirty (30) days following the date which the judgment becomes final, or any appeal thereof is finally determined.

(g) Other Defaults

The failure of Mortgagor to perform or observe any of Mortgagor's obligations or covenants under this Mortgage not previously specifically referred to which failure continues for a period of ninety (90) days after written notice to Mortgagor.

(h) Default Under Other Loan Documents

The failure of Mortgagor to perform or observe any of Mortgagor's obligations or covenants in any Loan Document other than this Mortgage, which failure is not remedied within any applicable grace period specified in such other Loan Document.

**10.02 Payment or Performance by Mortgagee**

Upon Default, Mortgagee may, at Mortgagee's option, make any payments or take any other actions Mortgagee deems necessary or desirable to cure the Default or conserve the Mortgaged Property. Mortgagor shall, upon demand, reimburse Mortgagee for all sums so advanced or expenses incurred by Mortgagee, together with interest at Judgment Rate from the date of satisfaction of the same, which sums shall be secured by this Mortgage.

**10.03 Possession by Mortgagee**

Upon the occurrence of an Event of Default, Mortgagee may enter upon and take possession of the Mortgaged Property without notice to Mortgagor, judicial process, or the appointment of a receiver. Mortgagee may exclude all persons, subject in all respects to the rights of the holder(s) of the Redevelopment Mortgage(s) and residential and commercial (retail or restaurant) leases then in effect from the Mortgaged Property and may proceed to operate the Mortgaged Property and receive all rents. All rents collected by Mortgagee shall be applied:

- (a) first, to pay all expenses incurred in taking possession of the Mortgaged Property;
- (b) second, to pay costs and expenses of management of the Mortgaged Property and collection of rents, including, but not limited to, receiver's fees, premiums on receiver's bonds and reasonable attorney's fees;

- (c) third, to pay all sums secured by the Loan Documents in the order of priority selected by Mortgagee; and
- (d) fourth, with the balance, if any, to Mortgagor or such other Person as may be entitled thereto.

#### **10.04 Acceleration of the Note**

Upon an Event of Default, Mortgagee prior to acceleration shall give notice to Mortgagor specifying:

- (a) the breach;
- (b) the action required to cure such breach;
- (c) a date, not less than ninety (90) days from the date the notice is mailed to Mortgagor, by which such breach must be cured; and
- (d) that failure to cure such breach on or before the date specified in the notice may result in acceleration of the sums secured by this Mortgage, foreclosure by judicial proceeding, and sale of the Mortgaged Property. The notice shall further inform Mortgagor of the right to reinstate after acceleration and the right to assert in the foreclosure proceeding, the nonexistence of a default or any other defense of Mortgagor to acceleration and foreclosure. If the breach is not cured on or before the date specified in the notice, Mortgagee, at Mortgagee's option, may declare all of the sums secured by this Mortgage to be immediately due and payable without further demands and may foreclose this Mortgage by judicial proceeding. Mortgagee shall be entitled to collect in such proceeding all expenses of foreclosure, including, but not limited to, reasonable attorney's fees and costs of documentary evidence, abstracts and title reports. Acceleration of maturity, once claimed by Mortgagee, may at the option of Mortgagee, be rescinded by written acknowledgment to that effect by Mortgagee but the tender and acceptance of partial payments alone shall not in any way affect or rescind such acceleration of maturity.

#### **10.05 Collection of Rents**

Upon the occurrence of an Event of Default and written demand by Mortgagee to the Tenants, all Rents shall be payable directly to Mortgagee, subject to the rights of the holder(s) of the Redevelopment Mortgage(s).

#### **10.06 Mortgagor's Right to Reinstate**

Notwithstanding Mortgagee's acceleration of the sums secured by this Mortgage due to an Event of Default, Mortgagor shall have the right to have any

proceedings begun by Mortgagee to enforce this Mortgage discontinued at any time prior to entry of a judgment enforcing this Mortgage if:

- (a) Mortgagor pays Mortgagee all sums which would be then due under this Mortgage and the Loan Documents had no acceleration occurred;
- (b) Mortgagor cures all breaches of any other covenants or agreements of Mortgagor as contained in this Mortgage or other Loan Documents;
- (c) Mortgagor pays all reasonable expenses incurred by Mortgagee in enforcing the covenants and agreements of Mortgagor contained in this Mortgage or Loan Documents, including, but not limited to, attorney's fees;
- (d) Mortgagor takes such action as Mortgagee may reasonably require to assure that the lien of this Mortgage, Mortgagee's interest in the Mortgaged Property and Mortgagor's obligation to pay the sums secured by this Mortgage shall continue unimpaired. Upon such payment and cure by Mortgagor, this Mortgage and the obligations secured hereby shall remain in full force and effect as if no acceleration had occurred.

#### **10.07 Judicial Foreclosure and Power of Sale**

Mortgagee may, at Mortgagee's option, declare the entire unpaid balance due, in the manner set forth in Paragraph 10.04, and proceed to foreclose this Mortgage through judicial proceedings, and in the event of judicial foreclosure, the Court shall direct the sale of the Mortgaged Property to be with or without appraisal, as Mortgagee may elect at the time judgment is rendered.

#### **10.08 Application and Proceeds of Sale**

Upon a foreclosure sale, the purchaser shall receive that portion of, or interest in, the Mortgaged Property purchased by it free from any claims of Mortgagor and without any liability to see to the application of the purchase money. The net proceeds from the sale, after deduction of all costs of the sale, shall be applied as prescribed by applicable law.

#### **10.09 Insurance or Condemnation after deficiency**

If the Mortgaged Property is sold at a foreclosure sale prior to receipt of a condemnation award or payment, Mortgagee shall receive and apply the proceeds of the award or payment toward the satisfaction of any deficiency resulting from the foreclosure sale, whether or not a deficiency judgment is sought, recovered, or denied.

## **10.10 Appointment of Receiver and Application of Rents**

Upon the occurrence of an Event of Default, Mortgagee, subject to the rights of the holder(s) of the Redevelopment Mortgage(s), shall be entitled to the immediate appointment of a receiver for the Mortgaged Property, without regard to the value of the Mortgaged Property or the solvency of any person liable for payment of the amounts due under the Loan Documents. Further, all rents collected by the receiver, including those past due, shall be applied first to payment of the costs of management of the Mortgaged Property and collection of rents, including, but not limited to, receiver's fees, premiums on receiver's bonds and reasonable attorney's fees, and then to the sums secured by this Mortgage. The receiver shall be liable to account only for those rents actually received.

## **11.00 MISCELLANEOUS**

### **11.01 Waivers**

No term of any Loan Document shall be deemed waived unless the waiver shall be in writing and signed by the parties making the waiver. Any failure by Mortgagee to insist upon Mortgagor's strict performance of any of the terms of the Loan Documents shall not be deemed or construed as a waiver of those or any other terms. Any delay in exercising or enforcing any rights with respect to a Default or an Event of Default shall not bar Mortgagee from exercising any rights under the Loan Documents, or at law or in equity.

### **11.02 Consents**

Mortgagee may:

- (a) release any person liable under the Loan Documents;
- (b) release any part of the security;
- (c) extend the time of payment of the Loan; and/or
- (d) modify the terms of the Loan Documents, regardless of consideration and without notice to or consent by the holder of any subordinate lien of the Mortgaged Property. No release, extension or modification of the security held under the Loan Documents shall impair or affect the lien of this Mortgage or the priority of such lien over any subordinate lien.

### **11.03 Notices**

All notices shall be in writing and, unless otherwise specified in a written notice, shall be sent to the respective addresses of the parties as follows:

**To Mortgagee:**

To TDA:  
Tulsa Development Authority  
1216 N. Lansing Avenue, Suite A  
Tulsa, Oklahoma 74106  
Attention: O. C. Walker, II, Executive Director

With a copy to:  
Jot Hartley, TDA General Counsel  
201 W. 5<sup>th</sup> Street, Ste. 501  
Tulsa, OK 74103

**To Mortgagor:**

River City Development, LLC  
c/o James F. Hawkins, Jr.  
427 S. Boston Avenue, Suite 915  
Tulsa, Oklahoma 74103

With a copy to:  
Keith & Associates Legal, PLLC  
Attn: Andrea R. Clinger  
115 W. 3<sup>rd</sup> Street, Suite 800  
Tulsa, Oklahoma 74103

A notice may be hand-delivered or mailed, postage prepaid, first class, registered or certified mail. Any notice sent by mail shall be deemed to have been received on the third business day following the date of mailing.

**11.04 Amendment**

No Loan Document may be modified except in writing signed by Mortgagee and Mortgagor.

**11.05 Severability**

In the event any provision of this Mortgage shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

**11.06 Applicable Laws**

All Loan Documents shall be governed by the Laws of the State of Oklahoma, without regard to the principles of the conflict of laws.

**11.07 Waiver of Homestead**



Mortgagor hereby waives all right of homestead exemption in the Mortgaged Property.

**11.08 Estoppels**

The Mortgagor and Mortgagee agree that upon the request of the other, they will execute such estoppel certificates as may be reasonably requested.

**12.00 Request for Notice of Default and foreclosure under Superior Mortgages or Deeds of Trust**

Mortgagor and Mortgagee request the holder of any mortgage, deed of trust or other encumbrance with a lien which has priority over this Mortgage to give Notice to Mortgagee, at Mortgagee's address set forth above, of any default under the superior encumbrance and of any sale or other foreclosure action.

**12.01 Partial Releases.**

Mortgagee agrees to execute and deliver partial releases of this mortgage as provided in the Note.

Executed this \_\_\_\_ day of \_\_\_\_\_, 2015.

**RIVER CITY DEVELOPMENT, LLC**  
**An Oklahoma Limited Liability Company**

By: Hawkins Oil, LLC, Its  
Member/Manager

By: \_\_\_\_\_  
James F. Hawkins, Jr., Manager

**Mortgagor**

**ACKNOWLEDGMENT**

**STATE OF OKLAHOMA )**  
**) ss**  
**COUNTY OF TULSA )**

Before me, the undersigned, a Notary Public, in and for said County and State, on this \_\_\_\_ day of \_\_\_\_\_, 2015, personally appeared James F. Hawkins, Jr., to me known to be the identical person who subscribed the name of the maker thereof to the foregoing instrument as its Manager and acknowledged to me that he executed the same as his free and voluntary act and deed and as the free and voluntary act and deed of such limited liability company, for the uses and purposes therein set forth.

Given under my hand and seal of office the day and year last above written.

\_\_\_\_\_  
Notary Public

My commission expires:

\_\_\_\_\_  
My commission number:  
\_\_\_\_\_

**EXHIBIT "A" to MORTGAGE**

**LEGAL DESCRIPTION**

The South Fifty (50) feet of Lot Three (3) and all of Lot Four (4), Block One Hundred Forty-Eight (148), ORIGINAL TOWN, now CITY OF TULSA, Tulsa County, State of Oklahoma, according to the Official Plat thereof.

Also known as 522 S. Boston Avenue, Tulsa, Oklahoma 74103.