

**EIGHTH AMENDMENT TO FIRST STREET LOFTS, LLC  
REDEVELOPMENT AGREEMENT**

**THIS EIGHTH AMENDMENT TO REDEVELOPMENT AGREEMENT** is made and entered into by and between the Tulsa Development Authority (“TDA”), a public body corporate, having its principal office at 1216 N. Lansing Avenue, Suite D, in the City of Tulsa (hereinafter called "City"), State of Oklahoma, 74106, First Street Lofts, LLC (“First Street Lofts”), an Oklahoma limited liability company, having its principal address as P.O. Box 521064, Tulsa, Oklahoma 74152-1064, and FSL 2, LLC an Oklahoma limited liability company, having principal address as P.O. Box 690960, Tulsa, Oklahoma 74169, effective from the date of approval from the City of Tulsa, constitutes the EIGHTH Amendment to said redevelopment agreement.

**WITNESSETH:**

**WHEREAS**, heretofore the parties hereto on the 13<sup>th</sup> day of September, 2006, entered into a Redevelopment Agreement (“Agreement”) for the rehabilitation of that certain building more particularly described in said agreement by the construction of 16 loft-type residential units, said building being located on the property located at 310 East First Street, Tulsa, Oklahoma 74120, being the Easterly Ninety (90) feet of Lot Six (6), Block Eighty-Six (86), Original Town of Tulsa, now City of Tulsa, Tulsa County, State of Oklahoma, according to the recorded Plat thereof; and,

**WHEREAS**, Section 3 of said Agreement was, on the 8<sup>th</sup> day of February, 2007, amended to permit an extension of time within which to begin construction and has set forth certain facts and circumstances which have required that the commencement of construction be delayed; and,

**WHEREAS**, said Agreement was, on the 29<sup>th</sup> day of August, 2007, further amended as set forth in the Second Amendment to First Street Lofts, LLC Redevelopment Agreement; and,

**WHEREAS**, said Agreement was, on the 7<sup>th</sup> day of May, 2009, further amended as set forth in the Third Amendment to First Street Lofts, LLC Redevelopment Agreement; and,

**WHEREAS**, said Agreement was, on the 8<sup>th</sup> day of April, 2010, further amended as set forth in the Fourth Amendment to First Street Lofts, LLC Redevelopment Agreement; and,

**WHEREAS**, said Agreement was, on the 13<sup>th</sup> day of October, 2011, further amended as set forth in the Fifth Amendment to First Street Lofts, LLC Redevelopment Agreement; and,

**WHEREAS**, said Agreement was, on the 13<sup>th</sup> day of March, 2013, further amended as set forth in the Sixth Amendment to First Street Lofts, LLC Redevelopment Agreement; and,

**WHEREAS**, said Agreement was, on the 11<sup>th</sup> day of April, 2013, further amended as set forth in the Seventh Amendment to First Street Lofts, LLC Redevelopment Agreement; and,

**WHEREAS**, First Street Lofts, LLC and FSL 2, LLC (FSL 2, LLC to be known as “Developer”) have indicated that an additional amendment of the Redevelopment Agreement restructuring and extending the time for the completion of construction is necessary for the proper completion of the project; and

**WHEREAS**, the Board of Commissioners of the Tulsa Development Authority has determined that it is in the best interests of the TDA, the City of Tulsa and the citizens of the City of Tulsa that the Agreement be further amended, restructured and extended to permit, among other items, a substitution of Redeveloper, a restructuring of the indebtedness to TDA and priorities of all indebtedness for the Project, a three month extension of time from the Second Closing for the resumption of construction of the Project and a nine month extension of time from resumption of construction (commencement of construction by Developer, for completion of construction of the Project (with 16 loft-type residential units) as provided in said Agreement, as amended, be granted to First Street Lofts, LLC and FSL 2, LLC.

**NOW, THEREFORE**, in consideration of the mutual promises, covenants and conditions set forth herein, the parties hereto do hereby agree that the said Agreement shall be further amended as follows:

1. The name of the replacement/substituted Developer, FSL 2, LLC, shall be substituted for the original Developer, First Street Lofts, LLC, wherever the name of the latter appears in the Redevelopment Agreement.
2. Section 1 (C) shall be amended to provide as follows: “Developer” or “Redeveloper” means FSL 2, LLC, an Oklahoma limited liability company, of which 310 E 1<sup>st</sup> St, LLC is Manager and has 51% ownership with Warren Ross as its Manager and PPMS, LLC has a 49% ownership with Michael Sager as its Manager.
3. Section 1 (D) shall be amended to add an additional sentence at the end thereof as follows: All Expenditures Eligible for Reimbursement have already been received by the Developer and no additional funds are available from TDA under this Agreement.
4. Section 1 (G) shall be amended to add an additional sentence at the end thereof as follows: TDA has already made the Maximum Amount of Advances under this Agreement.

5. Section 1 (I) shall be amended to add, after the words “Redevelopment Project,” the words “or Project”.
6. Section 1 shall be amended by adding a new Subsection J as follows: **Second Closing:** shall mean a closing to be conducted after the execution of the Eighth Amendment to this Agreement whereby the Developer shall (a) execute an Assumption of this Agreement, including a Guarantee of the \$1.3 million dollar Promissory Note and Mortgage to TDA, (b) provide a release or subordination to TDA’s mortgage lien of the present and existing mortgage liens having priority to the \$1.3 million dollar mortgage lien of TDA, including without limitation, those mortgage liens in favor of Blue Dome Properties, LLC and (c) execute a new first mortgage lien not to exceed amount of \$4 million dollars. Immediately following which, TDA shall subordinate its \$1.3 million dollar mortgage lien to the new first mortgage so as to cause TDA to be placed in a second mortgage lien position for its \$1.3 million dollar mortgage lien.
7. Section 2(A) shall be amended by deleting the last sentence thereof and substituting the following: Further, all such plans shall be substantially in compliance with the standards and representations set forth in the documents submitted to the TDA Board of Commissioners at its July 2, 2015 Work Study Session.
8. Section 3 shall be amended by deleting the first two sentences thereof and substituting the following: “Time is of the essence in the completion of construction of the sixteen (16) residential units. The construction of the units shall commence within ninety (90) days after the Second Closing and shall be completed within nine (9) months after commencement of construction, unless the Developer’s written request for an extension has been approved in writing by TDA, which will not be unreasonably withheld.”
9. The Agreement shall be amended by adding a NEW SECTION 4.1 –as follows:

SECTION 4.1 – CONDITIONS PRECEDENT TO OBLIGATION OF TDA TO EXECUTE A SUBORDINATION OF ITS MORTGAGE LIEN TO ARVEST BANK: TDA shall have no obligation to execute a subordination of its \$1.3 million dollar mortgage lien to a new \$4 million dollar mortgage lien before and until all parties hereto have executed the Eighth Amendment to this Agreement and Developer has furnished to TDA and/or executed the following documents:

A. An abstract of title certified to date of the Eighth Amendment to the Agreement showing marketable title to the Property to be vested in First Street Lofts, LLC subject to all mortgages, including without limitation those mortgage liens in favor of Blue Dome Properties, LLC, which mortgages shall be released or subordinated at the time of Second Closing; EXCEPT for the new \$4 million mortgage.

- B. Proof that all required insurance coverage and bonds are in force.
- C. TDA shall have determined that the financing, development and construction documents and all other aspects of the proposed redevelopment are in substantial compliance with the application and representations of the Developer made to the TDA Board of Commissioners, TDA Executive Director and TDA General Counsel.
- D. Developer shall have executed an Assumption Agreement whereby it agrees to assume and perform all of the conditions, duties and obligations of the original Developer, First Street Lofts, LLC, under the Agreement, as amended.
- E. Documents evidencing the ownership interests in Developer and the identity of the ownership of any corporate or limited liability company owners of Developer.
- F. Documents providing a detailed construction budget with specificity as to each category of expenditures anticipated to be necessary to complete the Project together with the written commitment and confirmation that all construction loan funds obtained by reason of the \$4 million dollar first mortgage shall be used solely and exclusively for payment of the direct costs and soft costs of completion of the construction of the Project. Such detail must be sufficient to enable TDA and its consultants to identify each anticipated expenditure in direct relation to specific activity and location upon the Property in furtherance of completion of the Project.
- G. A written commitment and guarantee to TDA from The Ross Group Construction Corporation that it will complete the Project and that in the event the cost of completion exceeds \$4 million dollars, The Ross Group Construction Company will obtain the necessary additional funds for such completion in such a manner as to not disturb or dilute the priority of the TDA second mortgage lien.
- I. An agreement from the first mortgage lender and Developer that they will not take any action to or otherwise seek to convert the \$4 million dollar construction loan to mini-permanent financing without the consent of TDA, which consent shall not be unreasonably withheld; TDA shall consent to such conversion if the Project is complete and a Certificate of Completion is issued by the TDA; and the agreement shall further provide that TDA will subordinate its \$1.3 million dollar indebtedness and second mortgage lien from Developer to the mini- permanent financing that is in substitution for the first \$4 million dollar construction loan.
- J. Recordable documents providing a release or subordination of all mortgages of the Property having priority to the \$1.3 million dollar mortgage lien of TDA and priority to the additional up to \$4 million dollar construction loan

mortgage lien of Developer's financial institution, including, without limitation, the mortgage liens in favor of Blue Dome Properties, LLC.

10. Section 6 of the Agreement shall be amended by deleting Subsections (A) and (B) and substituting the following:

- A. Developer, within sixty (60) days from the effective date of this Agreement, shall furnish TDA an abstract of title showing marketable title to the Property vested in First Street Lofts, LLC, subject to all mortgages to be released or subordinated at Second Closing and reasonable utility easements, building restrictions of record. TDA shall have twenty (20) days after receipt of abstract in which to have the abstract examined and furnish Developer notice in writing of any title objections thereto. Developer shall then have ninety (90) days or such additional time as may be agreed on by the parties in which to correct said objections to the satisfaction of TDA. Marketability of title shall be based on the title standards of the Oklahoma Bar Association. Developer shall pay all costs associated with updating the Abstract of Title and the fees and expenses incurred by TDA in obtaining a title opinion.

- B. Upon receipt and approval of the title as reflected by the abstract provided to TDA for examination, a loan Second Closing shall be scheduled at a mutually agreeable date and time at the offices of TDA or such other location as the Developer and TDA shall mutually agree, which Second Closing must occur within 90 days from the effective date of this Agreement, unless such time is extended to a date certain by an agreement in writing signed by both parties. At the Second Closing, the Developer shall (1) execute an agreement for the assumption and guarantee of the existing Promissory Note, as amended, and Second Mortgage, as amended, all previously executed by First Street Lofts, LLC to TDA in the forms attached hereto as Exhibit "B" and Exhibit "C" in the principal amount of the loan, One Million Three Hundred Thousand Dollars (\$1,300,000.00). TDA has previously filed the Mortgage in the land records of Tulsa County, Oklahoma, on September 14, 2006 as Doc. # 2006106353 and Amendment to Mortgage on September 11, 2007 as Doc. # 2007102384, showing TDA as a second Mortgagee, (2) execute a new first mortgage lien in the not to exceed amount of \$4 million dollars to the financial institution, (3) provide a release or subordination of all mortgages having priority to the \$1.3 million dollar mortgage lien of TDA and the up to \$4 million dollar mortgage lien of the financial institution, including, without limitation the mortgage liens in favor of Blue Dome Properties, LLC and (4) provide a properly executed warranty deed from First Street Lofts, LLC (or the then record owner) conveying title to the Property to Developer. After Developer satisfies all conditions in Section 4.1, TDA, at the Second Closing, shall subordinate its \$1.3 million dollar mortgage lien to the new \$4 million dollar mortgage lien of the financial institution.

11. Section 8 of the Agreement shall be amended to delete the words “Eight Hundred Fifty Thousand Dollars (\$850,000.00)” and substitute therefore the words “Four Million Dollars (\$4,000,000.00).”
12. Section 10 of the Agreement shall be amended by deleting the existing language and substituting therefore the following:

The Developer agrees that Warren Ross is the manager of and majority interest owner in FSL 2, LLC. Warren Ross shall act as primary contact person with TDA, acting on behalf of the Developer regarding all aspects of the project. Additionally, Michael Sager, as a member of FSL 2, LLC, shall act as secondary contact person with TDA. Developer may update this information periodically and any changes or updates to the contact information below shall be provided to TDA in writing. The Developer furnishes the following contact information and grants permission for the City or TDA to contact:

Name: Warren Ross, manager,  
FSL 2, LLC  
Address: P.O. Box 690960  
Address: Tulsa, Oklahoma 74169  
Phone: 918-234-7675  
E-mail: [\*\*warren.ross@trgcc.com\*\*](mailto:warren.ross@trgcc.com)

Name: Michael E. C. Sager, member  
FSL 2, LLC  
Address: P.O. Box 521064  
Address: Tulsa, Oklahoma 74152-1064  
Phone: 918-361-3085  
E-mail: [\*\*sagertulsa@aol.com\*\*](mailto:sagertulsa@aol.com)

13. Section 12 of the Agreement shall be amended to add a new sentence at the end thereof as follows:

“All funds available for draw by the Developer have been previously withdrawn and received by the previous Developer, First Street Lofts, LLC.”

14. Section 16 of the Agreement shall be amended to insert the words “sexual orientation” after the word “sex.”
15. Section 17 of the Agreement shall be amended to provide for notices to the following:

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

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

To Developer:

Warren Ross, manager,  
FSL 2, LLC  
P.O. Box 690960  
Tulsa, Oklahoma 74169  
918-234-7675  
**warren.ross@trgcc.com**

With a copy to:  
Michael E. C. Sager, member  
FSL 2, LLC  
P.O. Box 521064  
Tulsa, Oklahoma 74152-1064  
918-361-3085  
918-582-1727  
**sagertulsa@aol.com**

16. Section 21 of the Agreement shall be amended by substituting the words “Second Closing” for the word “closing” therein.
17. The undersigned parties hereto further agree that the Agreement shall be further amended by the insertion and addition of a NEW SECTION 24 – MISCELLANEOUS PROVISIONS as follows:
  - A. All parties agree and acknowledge that the TDA has, and shall continue to have, until repaid, a valid and enforceable second mortgage lien in the principal amount of \$1.3 million dollars.
  - B. The Promissory Note and Mortgage issued by First Street Lofts, to TDA in the amount of \$1.3 million dollars shall be amended and modified as follows:
    1. The term of the Promissory Note shall be extended at zero interest with the principal to become due and payable in full on November 30, 2024.
    2. The Developer shall, on November 30, 2020, commence annual payments of principal to TDA (\$52,000.00/year) based upon a twenty-five (25) year amortization of the \$1.3 million dollar balance.

3. Developer agrees that it shall assume payment of the \$1.3 million dollar indebtedness represented by the Promissory Note.

C. Developer agrees to pay all attorney fees, inspection fees, and other expenses that are attributable to the negotiation and development of this Eighth Amendment to the Agreement, the preparation of all documents necessary or desirable to effect the same and/or attendance at meetings, inspections or closings in completion and satisfaction of the agreements contained herein.

D. If FSL 2, LLC or 310 E 1<sup>st</sup> St, LLC agrees to buyout or purchase all membership interest in FSL 2, LLC owned by PPMS, LLC, the parties agree to further amend the proposed payment schedule of the Promissory Note and Mortgage to TDA as outlined in Addendum A.

18. That this EIGHTH Amendment and any Resolution of the Tulsa Development Authority Board of Commissioners approving said Amendment shall not be effective nor enforceable until and unless approved in writing by the City of Tulsa in accordance with the requirements for use of Vision 2025 funds.
19. All other terms and provisions of the Redevelopment Agreement of September 13, 2006, as previously amended, remain the same and the parties hereto hereby ratify and confirm all other terms and conditions set forth in said agreement, as previously amended.
20. This EIGHTH Amendment is executed and effective as of the date of approval from the City of Tulsa.

TULSA DEVELOPMENT AUTHORITY

\_\_\_\_\_  
By: Roy Peters, Jr., Chairman

Approved:

\_\_\_\_\_  
Jot Hartley, General Counsel  
Tulsa Development Authority

FIRST STREET LOFTS, LLC

\_\_\_\_\_  
By: Michael Sager, Manager

\_\_\_\_\_  
Michael Sager, an individual



FSL 2, LLC

\_\_\_\_\_  
By: Warren Ross, Manager  
"Developer"

The EIGHTH Amendment is hereby approved this \_\_\_\_\_ day of October, 2015:

City of Tulsa

By \_\_\_\_\_  
Mayor

Attest:

By \_\_\_\_\_  
City Clerk

Approved:

By \_\_\_\_\_  
Assistant City Attorney

**Addendum “A”**  
**Amended Repayment Terms of TDA Promissory Note and Mortgage upon Buyout or  
Purchase of PPMS, LLC Membership Interest**

If a buyout or purchase is executed in accordance with Section 17(D), the repayment schedule of the Promissory Note and Mortgage to TDA, both as amended, in the amount of \$1.3 million dollars shall be further amended and modified as follows:

1. Buyout before or on the date of Project completion.  
  
Developer shall commence annual payments of principle to TDA, based upon a twenty-five (25) year amortization of the \$1.3 million dollar balance (\$52,000.00/year) on November 30, 2018.
2. Buyout after date of Project completion and before or on the third anniversary of Project completion.  
  
Developer shall commence annual payments of principle to TDA, based upon a twenty-five (25) year amortization of the \$1.3 million dollar balance (\$52,000.00/year) on November 30, 2019
3. Buyout after the third anniversary will not cause any amendment or modification to the payment schedule of the Promissory Note and Mortgage to TDA, both as amended, and will remain as stated in Section 17(B).