

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

THIS NINTH 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 NINTH Amendment to said redevelopment agreement.

WITNESSETH:

WHEREAS, heretofore the parties hereto on the 13th 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 8th 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 29th 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 7th 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 8th 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 13th 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 13th 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 11th day of April, 2013, further amended as set forth in the Seventh Amendment to First Street Lofts, LLC Redevelopment Agreement; and,

WHEREAS, said Agreement was, on the 18th day of April, 2016, further amended as set forth in the Eighth Amendment to First Street Lofts, LLC Redevelopment Agreement; and,

WHEREAS, FSL 2, LLC (“Developer”) has succeeded First Street Lofts, LLC as the Developer under the terms of the Eighth Amendment to said Redevelopment Agreement, has assumed all rights and obligations of First Street Lofts, LLC of the Developer under the terms of the said Redevelopment Agreement, as amended, and has acquired all right, title and interest of First Street Lofts, LLC in and to the real property which is the subject of said Redevelopment Agreement; and,

WHEREAS, FSL 2, LLC (“Developer”) has indicated that an additional amendment of the Agreement restructuring 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 to permit, among other items, an increase in the maximum amount of first mortgage indebtedness permitted to be senior and prior to the indebtedness to TDA for the Project, a recognition in the change of ownership and manager for Developer and a guaranty by The Ross Group Construction Corporation of payment of the promissory note and indebtedness to TDA in the event of a default by the Developer.

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. Section 1 (C) shall be amended to provide as follows: “Developer” or “Redeveloper” means FSL 2, LLC, an Oklahoma limited liability company, of which Warren Ross is its Manager and Zeta 1.5, LLC has 100% ownership.
2. Section 1, Subsection J shall be amended to provide as follows: **Second Closing:** shall mean a closing to be conducted after the execution of the Ninth 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 in the not to exceed amount of Four Million, Three Hundred Thousand Dollars (\$4,300,000.00). 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 lie.

3. SECTION 4.1 shall be amended to provide 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 not to exceed amount of Four Million, Three Hundred Thousand Dollars (\$4,300,000.00) mortgage lien before and until all parties hereto have executed the Ninth 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, not to exceed Four Million Three Hundred Thousand Dollars (\$4,300,000.00), 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 not to exceed Four Million, Three Hundred Thousand Dollars (\$4,300,000.00) 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 Four Million, Three Hundred Thousand dollars (\$4,300,000.00), 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.

H. A written commitment and unconditional guarantee to TDA from The Ross Group Construction Corporation ("Ross") in the form attached hereto as "Attachment A" that Ross will pay to TDA the One Million, Three Hundred Thousand Dollar (\$1,300,000.00) indebtedness owed to TDA by the Developer (as assumed from the original maker), or so much thereof as may remain outstanding, under the terms of the Promissory Note to TDA, in the event of a default in the payment of said indebtedness by the Developer.

I. An agreement from the first mortgage lender and Developer that they will not take any action to or otherwise seek to convert the not to exceed Four Million, Three Hundred Thousand dollars (\$4,300,000.00) 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 not to exceed Four Million, Three Hundred Thousand Dollars (\$4,300,000.00) 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 four million three hundred thousand dollars (\$4,300,000.00) construction loan mortgage lien of Developer's financial institution, including, without limitation, the mortgage liens in favor of Blue Dome Properties, LLC.

4. Section 6, subsection B of the Agreement shall be amended to provide as follows:

(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 Four Million, Three Hundred Thousand Dollars (\$4,300,000.00) 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 Four Million, Three Hundred Thousand Dollars (\$4,300,000.00) 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 not to exceed Four Million, Three Hundred Thousand Dollars (\$4,300,000.00) mortgage lien of the financial institution.

5. Section 8 of the Agreement shall be amended to delete the words "Four Million Dollars (\$4,000,000.00)." and substitute therefore the words "Four Million, Three Hundred Thousand dollars (\$4,300,000.00)."
6. Section 10 of the Agreement shall be amended by deleting the existing language and substituting therefore the following:

The Developer agrees that Zeta 1.5, LLC is the 100% interest owner in FSL 2, LLC and that Warren Ross is the Manager of both Zeta 1.5, LLC and FSL 2, LLC and shall act as primary contact person with TDA, acting on behalf of the Manager of the Developer regarding all aspects of the project. 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@withrossgroup.com

7. 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. 5th 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@withrossgroup.com

With a copy to:

John Harper, Registered Agent
Barrow & Grimm, PC
110 W 7th St, Ste 900
Tulsa, OK 74119
918-584-1600
j.harper@barrowgrimm.com

8. SECTION 24 – MISCELLANEOUS PROVISIONS shall be amended to provide 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 LLC, 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, 2018, 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 and be directly liable to TDA for the payment of the \$1.3 million dollar indebtedness represented by the Promissory Note, according to its terms.

C. Developer agrees to pay all attorney fees, inspection fees, and other expenses that are attributable to the negotiation and development of this Ninth 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.

9. That this NINTH 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.
10. That this NINTH 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.
11. 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 NINTH 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
"First Street Lofts"

By: _____
Michael Sager, Manager

FSL 2, LLC
"Developer"

By: _____
Warren Ross, Manager

The Ninth Amendment is hereby approved this _____ day of May, 2016:

City of Tulsa

By _____
Mayor

Attest:

By _____
City Clerk

Approved:

By _____
Assistant City Attorney

Addendum "A"
Guaranty of Payment of TDA Promissory Note and Mortgage upon Default by
Developer, FSL 2, LLC

GUARANTY BY THE ROSS GROUP CONSTRUCTION CORPORATION

Pursuant to and in consideration of and for that certain Ninth Amendment of Redevelopment Agreement dated May _____, 2016 (the "Ninth Amendment"), between and among Tulsa Development Authority (TDA), and FSL 2, LLC, an Oklahoma limited liability company, the undersigned, The Ross Group Construction Corporation ("Ross"), guarantees to TDA the full and timely payment of that certain Promissory Note, as amended from First Street Lofts, LLC (and by Developer by assumption of indebtedness) to TDA dated the 13th day of September, 2006, as amended on September 6th, 2007, (the "Note") in the amount of One Million, Three Hundred Thousand Dollars (\$1,300,000).

Ross expressly agrees that TDA may proceed to enforce this Guaranty without first proceeding against Developer or First Street Lofts, LLC.

This is a continuing, absolute and unconditional Guaranty, coextensive with the Note. Notice of acceptance of this Guaranty is waived. No delay in enforcement of payment and no delay or admission in exercising any right with respect to the obligations of the Maker or the Developer under the Note and under the Redevelopment Agreement, as amended, shall affect the liability of Ross. This Guaranty is binding on the trustees, successors and assigns of Ross and shall inure to the benefit of the beneficiaries, successors and assigns of TDA.

Dated this _____, May, 2016.

**The Ross Group Construction Corporation
(Guarantor)**

By: _____
Warren Ross, President

STATE OF OKLAHOMA)
) ss.
COUNTY OF TULSA)

Before me, the undersigned Notary Public, on this ____ day of May, 2016, personally appeared Warren Ross, known to me to be the person executing the foregoing Guaranty as President of The Ross Group Construction Corporation, and acknowledged to me that he executed the same for the purposes and consideration therein expressed and that the same was his free act and deed on behalf of said corporation.

Notary Public

My Commission Expires:

My Commission Number:

(Seal)