

CONTRACT FOR SALE OF LAND FOR PRIVATE REDEVELOPMENT

THIS CONTRACT, made on or as of the **4th day of May, 2017**, by and between the **TULSA DEVELOPMENT AUTHORITY**, a public body corporate (which, together with any successor public body or officer hereafter designated by or pursuant to law, is hereinafter called "Seller"), having its office at 1216 N. Lansing Avenue, Suite D, in the City of Tulsa (hereinafter called "City"), State of Oklahoma, 74106, and **MORTON'S RESERVE PROPERTIES, LLC** (hereinafter called "Purchaser"), whose mailing address is: 8827 Crown Jewel Drive, Richmond, Texas 77469.

WITNESSETH:

WHEREAS, in furtherance of the objectives of, and pursuant to, the Oklahoma Urban Redevelopment Law, 11 O.S., 38-101 et seq, the Seller is carrying out urban renewal activities in an area known as the Unity Heritage Neighborhoods Sector Plan Area, for which an Urban Renewal Plan, approved by the Board of Commissioners of the City of Tulsa, as it may hereafter be amended from time to time pursuant to law, and as so constituted from time to time, is, unless otherwise indicated by the content, hereinafter called "Urban Renewal Plan"; and,

WHEREAS, in furtherance of the objectives of, and consistent with the Land Use classification(s) as delineated in PlaniTulsa, the 2010 Tulsa Comprehensive Plan, the Seller is carrying out redevelopment activities for residential real property located within the area encompassed by and in accordance with the Urban Renewal Plan; and,

WHEREAS, a copy of PlaniTulsa, the 2010 Tulsa Comprehensive Plan, and the Urban Renewal Plan, as constituted on the date of this Contract For Sale Of Land For Private Redevelopment (hereinafter called "Contract") has been filed in the office of the City Auditor of the City of Tulsa, Oklahoma; and,

WHEREAS, the Seller has offered to sell and the Purchaser is willing to purchase certain real property (more particularly described in Schedule "A" annexed hereto and made a part hereof), hereinafter called "the Property", and to redevelop the Property for and in accordance with the uses specified in the PlaniTulsa 2010 Tulsa Comprehensive Plan, the Unity Heritage Neighborhoods/Greenwood Heritage Neighborhoods Sector Plan previously adopted as the Urban Renewal Plan for that portion of the City of Tulsa encompassed within, the response to the RFP for redevelopment of the Property, the documents and representations presented to the TDA Board of Commissioners at its March 2nd and May 4th, 2017, meetings and the provisions of this Contract.

NOW, THEREFORE, in consideration of the premises and the mutual obligations of the parties hereto, each of them does hereby covenant and agree with the other as follows:

SECTION 1. PURCHASE PRICE

Subject to all the terms, covenants, and conditions of this Contract, the Seller will sell the Property to the Purchaser and the Purchaser will purchase the Property from the Seller and pay the sum

of Thirty-Five Thousand Dollars (\$35,000.00), (hereinafter called the "Purchase Price") to be paid at time of Closing in cash, by certified check or by such check as shall be satisfactory to the Seller simultaneously with delivery of the Deed conveying said Property to the Purchaser. Failure of Purchaser to tender payment at the Closing or failure of Seller to deliver the Deed shall constitute an event of default.

SECTION 2. CONVEYANCE OF PROPERTY

(a) Form of Deed. The Seller shall convey to the Purchaser title to the Property by Special Warranty Deed, (hereinafter called "Deed"). Such conveyance and title shall, in addition to the condition subsequent provided for in Section 14 (c) hereof, and to all other conditions, covenants, reservations and restrictions set forth or referred to elsewhere in the Contract, be subject to: (1) Such outstanding mineral interests owned by third parties, (2) easements as it shall have been deemed necessary, pursuant to the PlaniTulsa 2010 Tulsa Comprehensive Plan and/or the Urban Renewal Plan, (the "Plans") for the Seller to dedicate or grant at the time of the execution of this Contract by the parties (to be shown on an ALTA survey to be obtained by Seller at Seller's cost and furnished to Purchaser no later than 15 days prior to closing), and (3) easements and/or rights of way as shall be necessary pursuant to any of the Plans for the Seller to reserve for itself or dedicate or grant, for sewers, drains, water and gas distribution lines, electric, telephone and telegraph installations, right-of-way and access, and other public utilities and facilities. The Purchaser shall not construct any building or other structure on, over or within the boundary lines of any such easement without the approval of the City of Tulsa building permits department.

(b) Closing -Time and Place for Delivery of Deed. A Closing shall be conducted within 150 days of the date of this Contract or within 30 days after such time as the Seller and Purchaser shall have performed and complied with all the terms and provisions of Section 4 and Section 5 hereof, whichever is later, or on such earlier date as the parties hereto may mutually agree in writing. Seller shall, at the Closing, deliver the Deed and possession of the Property to the Purchaser and Purchaser shall pay the purchase price to Seller. Failure of a party to agree to schedule a closing within the time provided above or to participate in a scheduled Closing shall constitute an event of default.

(c) Apportionment of Current Taxes and Assessments. Ad valorem taxes and real property assessments, if any, shall be pro-rated between the parties as of the date of Closing. The portion of the ad valorem taxes or real property assessments, if any, on the Property which has accrued as of the date of Closing shall be borne by the Seller.

(d) Recordation of Deed. The Deed shall be promptly filed for recordation among the land records of Tulsa County, Oklahoma. The Purchaser shall pay all costs for so recording the Deed.

(e) Within thirty (30) days after execution of this Contract by the parties, the Seller shall furnish the Purchaser an Abstract of Title certified to date showing good and marketable title vested in the Seller. The Purchaser shall then have thirty (30) days in which to examine the title and furnish the Seller written notice of any objections. The Seller shall then have sixty (60) days or such additional time as may be agreed on by the parties in which to correct said objections. Marketability of title shall

be based on the title standards of the Oklahoma Bar Association. In the event objections are not cured by Seller in the time provided or otherwise agreed upon by the parties, this Contract shall terminate with the Deposit being promptly returned to Purchaser. Seller agrees to take all reasonable steps necessary to cure any objections or title defects. If Seller is unable to clear such objections or defects, then Purchaser may elect to cancel and terminate the contract, upon which event Seller shall refund to Purchaser the Deposit and shall have no further obligation or liability to Purchaser.

(f) **Title Curative.** Seller shall be responsible for the cost of recording any title curative documents.

SECTION 3. GOOD FAITH DEPOSIT

(a) **Amount.** The Purchaser has, prior to or simultaneously with the execution of the Contract by the Seller, delivered to the Seller, a Good Faith Deposit (hereinafter called "Deposit") of cash or a certified check satisfactory to the Seller in the amount of **One Thousand Seven Hundred Fifty Dollars (\$1,750.00)**, equal to five percent (5%) of the Purchase Price of the Property, as security for the performance of the obligations of the Purchaser to be performed prior to the return of the Deposit to the Purchaser, or its retention by the Seller as liquidated damages in the event of a breach by the Purchaser as identified in Sections 1, 2, 5, 6 and/or 14 of this Contract, the parties stipulating that the damages to accrue to Seller upon the default of Purchaser would be difficult and impracticable to determine with reasonable certainty. Any monies in excess of the amount of the Deposit held by Seller shall be returned to Purchaser.

(b) The Deposit shall be held by the Seller until issuance of a Certificate of Completion of Purchaser's project as provided for in Sections 6 and 7 hereof. In those instances where no construction is contemplated or where planned construction has only a nominal value, the Seller may, at its option, apply the Deposit toward the Purchase Price at time of closing.

(c) **Retention by Seller.** Upon termination of the Contract through breach by Purchaser of Sections 1, 2, 5, 6 and /or 14 of this Contract, default as herein provided, the Deposit shall be retained by the Seller as and for liquidated damages. In the absence of any such breach by Purchaser and/or a return to Purchaser as provided in subsections 2 (e), 3 (d), 6 (b) or 14 (e), the Purchaser authorizes Seller, upon issuance of the Certificate of Completion, to retain from the Deposit, in an amount not to exceed One Thousand Dollars (\$1,000.00), any customary, normal and reasonable fees, charges and expenses incurred by Seller in the verification of the completion of the Project in conformity with the Construction Documents and in the issuance of the Certificate of Completion with the remaining balance to be paid to Purchaser by Seller.

(d) **Return to Purchaser.** Upon termination of the Contract as provided in subsections 2 (e), 4 (b), 6 (b) and 14 (e) the Deposit shall be returned to the Purchaser by the Seller.

SECTION 4. PHYSICAL AND ENVIRONMENTAL CONDITION

(a) Environmental Conditions. The Seller makes no warranty, expressed or implied, concerning any adverse environmental conditions, drainage problems, or any hidden or unapparent conditions of the Property including, without limitation, subsurface conditions such as remnants of structures or facilities, storage tanks and/or contaminants discharged or leaked therefrom. The Seller will not be responsible for any such conditions that may exist, or for any engineering or testing that might be required to discover whether such conditions exist. Except as otherwise provided herein, the Property is to be sold in "AS IS" condition and the Seller will not be responsible for any adverse environmental conditions, drainage problems, subsurface conditions (including without limitation rock, foundations, storage tanks or any other hidden or unapparent conditions) upon, in or under the Property, if any, that may exist, nor for any other engineering or testing that might be required to discover whether such conditions exist.

(b) The Purchaser at its sole election, cost and expense, shall have seventy-five (75) days following the date of the execution of this Contract by both parties in which to perform "due diligence", to examine and inspect the Property and conduct such engineering, soil and environmental studies as it shall deem appropriate. If the examination, inspection or studies of the Property reveal any condition or information that the Property, in Purchaser's sole opinion, is not suitable for its intended use, the Purchaser shall notify Seller in writing within the time period specified above that Purchaser elects not to purchase the Property and elects to terminate the Contract, in which event this Contract shall terminate, the Seller shall, within 30 days thereafter reimburse to the Purchaser the full amount of the Deposit the Purchaser had paid to the Seller in satisfaction of Section 3(a) of this Contract and neither party shall have any further obligation to the other except as to the repair, indemnity and hold harmless obligations of Purchaser to Seller set forth in Section 4(c).

(c) The Purchaser shall repair any damages to the Property caused by any such engineering, soil and environmental studies, shall restore the Property to its previous condition as near as practicable and shall indemnify and hold Seller harmless from and against any and all liability, loss, cost, expense and damage caused to or incurred by Seller with respect to the Property by any intentional or negligent acts or omissions of Purchaser (or its agents or representatives) in connection with any of the activities provided for in Section 4 (b).

(d) Seller shall, within ten (10) days of the Effective Date, provide Purchaser with copies of any soil or boring reports, environmental studies, hydrological studies or traffic studies in the possession of Seller related to the Property; provided that the parties expressly agree and acknowledge that Seller makes no representations nor warranties of any type as to the accuracy or condition of the Property as described or depicted in any such information provided by Seller to Purchaser.

SECTION 5. PLANS, SPECIFICATIONS, FINANCIAL DOCUMENTATION AND PROJECT REQUIREMENTS

For the purposes of all obligations arising pursuant to Section 5 of this Contract, the Purchaser shall submit required communications, plans, and documents in writing to the person and address as

identified here:

Name: O. C. Walker, II, Executive Director, Tulsa Development Authority
1216 N. Lansing Avenue, Suite D
Tulsa, Oklahoma 74106
Email Address: ocwalker@tulsadevelopmentauthority.org

This designated contact person shall be present at all meetings between Seller and the Purchaser. Seller agrees that this designated contact person will serve as Seller's primary contact with Purchaser, and to clearly communicate Seller's criteria for review and approval of the project.

(a) SCHEMATIC PLAN PHASE.

(1) The time within which the Purchaser shall submit its "Schematic Plans" for the use of the Property for the Project to the Seller for approval by the Seller shall be no later than two (2) months from the date of the execution of this Contract by both parties. For the purpose of this section "schematic plans" shall be defined as that term is described and defined by the AIA and shall include all drawings, specifications and other plans for the proposed redevelopment Project as customarily included within such definition. Such "Schematic Plans" shall be in sufficient scope and detail to enable Purchaser to identify the character, placement, content and minimum program requirements for the Project improvements in relation to the Project.

(2) The Seller shall, within Forty-five (45) days from the date of submission of the schematic plans, approve, revise and resubmit to Purchaser on an approved as noted basis or reject the said schematic plans and notify the Purchaser in writing of its action.

(3) In any event, the time within which the Purchaser shall re-submit any such schematic plans which conform to the requirements of the Urban Renewal Plan and are approved by the Seller shall be no later than Ninety (90) days after the date the Purchaser receives written notice from the Seller of the Seller's rejection, or revision and re-submission, of any such original schematic plans submitted to it by the Purchaser.

(4) The time within which the Seller may reject, or revise and resubmit, any change in such schematic plans, as not approved by the Seller, shall be no more than forty-five (45) days after the date of the Seller's receipt of notice of such change.

(5) In the event the Seller fails to act within the time frame specified in (2) and (4) above, or if the Purchaser accepts any revision by Seller on a written "approved as noted" basis, then the Purchaser's revised schematic plans shall automatically be deemed approved without recourse by the Seller.

(6) After approval of such schematic plans by Seller, Purchaser shall not make any substantial revision or amendment to such schematic plans without the written approval of Seller. For purposes of this subsection, "substantial revision or amendment" shall mean any decrease in the

location, use, and appearance of the redevelopment project and/or any change by more than 5% of the scale, area and/or minimum program requirements of each component use of the redevelopment project as the Schematic Plans for the Project Improvements previously submitted to and approved by Seller's Board of Commissioners.

(b) DOCUMENT DESIGN PHASE:

(1) The time within which the Purchaser shall submit its "Construction Documents" (as that term is defined by the AIA) for the Project to the Seller for approval by the Seller shall be no later than three (3) months from the expiration of the 75 day due diligence phase. For the purpose of this section, Construction Documents shall include all drawings, specifications (including materials for use for interior and exterior construction), landscape plans and works of art when applicable (see Sec. 22 hereof). Such "Construction Documents" shall be in sufficient scope and detail to enable Purchaser to finalize construction financing agreements, obtain construction permits from the applicable departments of City of Tulsa and to commence construction of the Project.

(2) The Seller shall, within thirty (30) calendar days from the date of submission of the Construction Documents, either approve, revise and resubmit to Purchaser on an approved as noted basis or reject the said Construction Documents and notify the Purchaser in writing of its action. Seller's approval of the Construction Documents shall not be unreasonably withheld.

(3) In any event, the time within which the Purchaser shall submit Construction Documents which conform to the requirements of the Urban Renewal Plan and are approved by the Seller shall be no later than thirty (30) calendar days after the date the Purchaser receives written notice from the Seller of the Seller's first rejection, or revision and re-submission of the original Construction Documents submitted to it by the Purchaser.

(4) The time within which the Seller may reject any change in the Construction Documents, as not approved by the Seller, shall be no more than thirty (30) calendar days after the date of the Seller's receipt of notice of such change.

(5) In the event the Seller fails to act within the time frame specified in (2) and (4) above, or if the Purchaser accepts, in writing, any revision by Seller on an "approved as noted" basis, then the Purchaser's Construction Documents shall automatically be deemed approved without recourse by the Seller.

(6) After approval of the Construction Documents by Seller, Purchaser shall not make any substantial revision or amendment to such Construction Documents without the written approval of Seller. For purposes of this subsection, "substantial revision or amendment" shall mean any change in the location, use, and appearance of the redevelopment project and/or any decrease by more than 5% of the scale, area, minimum program requirements of the Project Construction Documents previously submitted to and approved by Seller's Board of Commissioners.

(c) CONSTRUCTION FINANCIAL DOCUMENTATION PHASE:

(1) The time within which the Purchaser shall submit its "Construction Financial Documentation" for the Project to the Seller for approval by the Seller shall run concurrently with the Document Design Phase as described above in Section 5(b)(1). For the purpose of this section, "Construction Financial Documentation" shall include all contracts, commitments, financing agreements, promissory notes, mortgages, equity participation agreements, partnership agreements, joint venture or joint interest agreements, investment account balances, financial statements or other evidence of financial assets of Purchaser as Seller shall reasonably request which, in the reasonable discretion and opinion of Seller, demonstrate the ability of Purchaser to pay for and complete construction of the Project in accordance with the Construction Documents approved by Seller. Any such information will be subject to a non-disclosure agreement and discussed by Commissioners and representatives of Seller only in executive session of Seller's Board of Commissioners.

(2) The Seller shall, within thirty (30) calendar days from the date of submission of the construction financial documents, approve, revise and resubmit or reject the said Construction Financial Documents and notify the Purchaser in writing of its action.

(3) In any event, the time within which the Purchaser shall submit **Construction Financial Documents** for approval by the Seller shall be no later than thirty (30) calendar days after the date the Purchaser receives written notice from the Seller of the Seller's first rejection, or revision and re-submission, of the original construction financial documents submitted to it by the Purchase

(4) The time within which the Seller may reject any change in the Construction Financial Documents, as not approved by the Seller, shall be no more than thirty (30) calendar days after the date of the Seller's receipt of notice of such change.

(5) In the event the Seller fails to act within the time frame specified in (2) and (4) above, then the Purchaser's Construction Financial Documents shall automatically be deemed approved without recourse by the Seller.

(d) **MINIMUM PROJECT REQUIREMENTS FOR REDEVELOPMENT PROJECT**

(1) The redevelopment project (the "Project") to be constructed by Purchaser shall be composed of Three (3) three-story buildings for residential and commercial mixed use to be located on the Property, Tulsa, Oklahoma. The character, placement, content and minimum project requirements of the Project shall be substantially similar in design, use, scale, area and appearance as the Purchaser's response (written and oral) to the TDA request for proposals (RFP) presented by Purchaser's representatives to Seller's Board of Commissioners at the March 2nd, 2017, TDA board meeting.

(2) Purchaser agrees that the Project to be constructed by it upon the Property shall, as minimum Project requirements, include the following:

- (a) Building #1 – residential apartment use, three story with parking on Level 1 and containing 58,050 square feet with 142 total parking spaces;
- (b) Building #2 –commercial mixed use, three story containing 52,300 square feet.
- (c) Building #3 – Retention and preservation of the original brick façade and structure of the original Morton Health/Hospital building as a three story commercial/office building containing 12,000 square feet.
- (d) The Property shall be redeveloped in conformity with the provisions of the Proposal submitted by the Purchaser to the extent approved and accepted by the City of Tulsa. (See revised Site Plan for Proposed Morton’s Reserve attached).

SECTION 6. TIME FOR COMMENCEMENT AND COMPLETION OF CONSTRUCTION

(a) The construction of the improvements referred to in Section 5 shall be commenced in any event within One Hundred Eighty (180) days after the date of the Closing and delivery of the executed Deed by Seller to Purchaser, and shall be completed within Seven Hundred Thirty (730) days after date of commencement of construction. The Purchaser agrees for itself, its successors, and assigns to promptly begin and diligently complete the redevelopment of the Property through the construction of the improvements thereon, and that the construction shall in any event be begun and completed within the period specified, it being intended and agreed, that these agreements and covenants shall be covenants running with the land, binding for the benefit of the community and the Seller, and enforceable by the Seller against the Purchaser and its successors and assigns. Purchaser may request an extension of the time within which to commence construction for delay caused by or resulting from factors of force majeure beyond its reasonable control, which extension shall not be unreasonably denied by Seller.

(b) In the event, for any reason construction permits are denied or not timely issued within the time required for Purchaser to commence construction provided above, Purchaser may elect to re-convey the Property to Seller free of any liens, assessments or encumbrances and terminate this Contract. Upon such re-conveyance Purchaser shall provide Seller with an abstract of title to the Property showing merchantable title in Purchaser and Seller shall have 30 days within which to examine title and make any title requirements. Within 30 days of approval of title as merchantable, Seller shall pay the Purchase Price and the Deposit to Purchaser after deduction of the cost of preparation of title documents, title examination and other costs incurred by Seller in the re-conveyance of the Property. Nothing in Section 6(b) should be construed so as to supersede the language of Section 13 of the Contract.

(c) During the period between conveyance of the Property and commencement of construction, Purchaser shall be responsible for and pay the cost of maintenance, mowing and general upkeep of the Property.

SECTION 7. CERTIFICATE OF COMPLETION

Promptly after completion of the construction of the improvements in accordance with this Contract, and upon written notification from the Redeveloper that the work has been completed and Seller's confirmation of said completion, the Seller will furnish the Purchaser with a Certificate of Completion so certifying. The certification by the Seller shall be a conclusive determination of satisfaction and termination of the covenants in the Contract and the Deed with respect to the obligations of the Purchaser and its successors and assigns to construct the improvements and the dates for the beginning and completion thereof, including without limitation those covenants, conditions and remedies set forth in Section 14 and Section 15 of this Contract. The certification shall be in such form as will enable it to be recorded in the Tulsa County land records. Completion shall be measured by the City of Tulsa issuing a Certificate of Occupancy for structure(s) constructed upon the Property. Such Certificate of Occupancy shall be conclusive of Completion.

SECTION 8. RESTRICTIONS ON USE

The Purchaser agrees for itself, and its successors and assigns, and every successor in interest to the Property, or any part thereof, and the Deed shall contain covenants on the part of the Purchaser for itself, and its successors and assigns, that the Purchaser and its successors and assigns shall:

(a) Devote the Property only to and in accordance with the land use, controls and restrictions specified in the Downtown Master Plan, the PlaniTulsa 2010 Tulsa Comprehensive Plan and/or the Urban Renewal Plan, and applicable codes of the City of Tulsa, said uses being: **Those uses listed above in Section 5 (d) MINIMUM PROJECT REQUIREMENTS FOR REDEVELOPMENT PROJECT, such uses to continue for a period of not less than five (5) years from the issuance of the Certificate of Completion by the Seller.**

(b) Not discriminate upon the basis of race, color, religion, sex, sexual orientation, age, national origin or handicapped status in the sale, lease or rental or in the use or occupancy of the Property or any improvements located or to be erected thereon, or any part thereof in violation of any applicable statute, ordinance, rule or regulation.

SECTION 9. COVENANTS: BINDING UPON SUCCESSOR IN INTEREST: PERIOD OF DURATION

It is intended and agreed, and the Deed shall so expressly provide that the covenants provided in Sections 6, 8, 10 and 12 shall be covenants running with the land binding to the fullest extent by law and equity for the benefit and in favor of, and enforceable by the Seller, its successors and assigns, the City and any successor in interest to the Property, or any part thereof, and the United States (in the case of the covenant provided in subsection (b) of Section 8), against the Purchaser, its successors and assigns, and any party in possession of the Property or any part thereof. It is further intended and agreed that the covenant provided in subsection (a) of Section 8 shall remain in effect from the date of the Deed until the period specified or referred to in the Urban Renewal Plan or until such date thereafter to which it may be extended by proper amendment to the Urban Renewal Plan, on which date, as the case may

be, such covenant shall terminate. The terms "uses specified in the Downtown Master Plan, the PlaniTulsa 2010 Tulsa Comprehensive Plan and/or the Urban Renewal Plan" and "land use" referring to provisions of the Urban Renewal Plan or similar language, in this Contract shall include the land and all buildings and other requirements or restrictions of the Downtown Master Plan, the PlaniTulsa 2010 Tulsa Comprehensive Plan and/or the Urban Renewal Plan pertaining to such land.

SECTION 10. PROHIBITION AGAINST TRANSFER OF PROPERTY

(a) Except as otherwise provided herein, the Purchaser has not made or created, and will not, prior to the completion of the improvements as certified by the Seller, make or suffer to be made any sale, assignment, conveyance, lease or transfer in any other form of or with respect to this Contract, the Property, or ownership interest, or any part thereof or any interest therein, or contract or agree to do any of the same, without the prior written approval of the Seller; provided, however, that any transfer of an ownership interest in the Purchaser or the Property shall not require prior written approval of the Seller so long as Purchaser (collectively and without alteration of their current manager(s), ownership and membership in the case of the limited liability companies) retains a Controlling Interest in a Controlling Entity of the Purchaser or the Property. In the event of any conveyance of title and/or an ownership interest by the Purchaser, both the Purchaser and the transferee shall be jointly responsible for completion of the redevelopment Project in accordance with the terms of this Contract. Prior to any such conveyance or transfer by Purchaser, the Seller, Purchaser and transferee shall enter into an amendment of this Contract acknowledging and accepting such conditions.

(b) As used herein, "Controlling Interest" means Fifty One Percent (51%) or more of the ownership interest in the Property or in a Controlling Entity.

(c) As used herein, "Controlling Entity" means an entity which owns: (i) a general partnership interest in the Purchaser (if the Purchaser is a partnership or a joint venture), (ii) a manager's interest in the Purchaser or a Controlling Interest of the ownership or membership in the Purchaser (if the Purchaser is a limited liability company), or (iii) a Controlling Interest of any class of voting stock of the Purchaser (if the Purchaser is a corporation).

(d) The prohibition against transfer of the Property set forth in this Section 10 shall lapse and terminate upon the issuance of the Certificate of Completion. In such event, the Purchaser shall no longer be restricted by this Contract in the subsequent transfer of the Property.

SECTION 11. LIMITATION UPON ENCUMBRANCE OF PROPERTY

Prior to the completion of the Project as certified by the Seller, neither the Purchaser nor any successor in interest to the Property shall engage in any financing or any other transaction creating any mortgage or other encumbrance or lien upon the Property whether by express agreement or operation of law, or suffer any encumbrance or lien to be made on or attached to the Property, except for the purpose of obtaining a loan from a commercial bank for the funds necessary to build and construct the Project as approved in the Design Document Phase, such funds to be used as follows:(a) funds only to the extent necessary for actual hard costs expended in on-site construction of the Project (exclusive of soft costs,

including but not limited to, financing, planning, architect, legal, engineering, consultant and/or permitting fees and other similar costs and expenses) and (b) the sum of the Purchase Price paid by Purchaser for the Property.

SECTION 12. MORTGAGEE NOT OBLIGATED TO CONSTRUCT

Notwithstanding any of the provisions of this Contract, including but not limited to those which are intended to be covenants running with the land, the holder of any mortgage authorized by this Contract (including any holder who obtains title to the property or any part thereof as a result of foreclosure proceedings, or action in lieu thereof, but not including (a) any other parties who thereafter obtains title to the property or such part from or through such holder or (b) any other purchaser at foreclosure sale other than the holder of the mortgage itself) shall not be obligated by the provisions of this Contract to construct or complete the construction; nor shall any covenant or any other provision in the Deed be construed to so obligate such holder. Nothing in this Section or any other Section or provision of the Contract shall be deemed or construed to permit or authorize any such holder to devote the Property or any part thereof to any uses, or to construct any improvements thereon, other than those uses or improvements permitted in the Urban Renewal Plan and this Contract.

SECTION 13. ENFORCED DELAY IN PERFORMANCE

Neither the Seller nor the Purchaser, nor any successor in interest, shall be considered in breach or default of its obligations with respect to the preparation of the property for redevelopment or the commencement and completion of construction of the improvements, in the event of enforced delay in the performance of such obligations due to unforeseeable causes beyond its control and without its fault or negligence (events such as, but not limited to, adverse weather which prohibits construction, delay in receipt of construction materials and reasonable delays within the construction permitting process with the City of Tulsa). The time for the performance of the obligations shall be extended for the period of each delay on a cumulative basis, as determined mutually and in writing by Seller and Purchaser. The party seeking the extension shall request it in writing of the other party within thirty (30) days after the beginning of each enforced delay. The parties agree that requested extensions as referred to herein shall not be unreasonably denied.

SECTION 14. REMEDIES

(a) In General. Except as otherwise provided in this Contract, in the event of any default in or breach of the Contract, or any of its terms or conditions, by either party hereto, or any successor to such party, such party (or successor) shall, upon written notice from the other, proceed immediately to cure or remedy such default or breach, and, in any event, within ninety (90) days after receipt of such notice. In case such action is not taken or diligently pursued, or the default or breach shall not be cured or remedied within a reasonable time, the aggrieved party may institute such proceedings as may be necessary or desirable in its opinion to cure and remedy such default or breach including, but not limited to, proceedings to compel specific performance by the party in default or breach of its obligations.

(b) Prior to Conveyance. In the event that prior to the conveyance of the Property to Purchaser, the Purchaser assigns or attempts to assign this Contract or any rights hereunder, except as provided for in Sections 10 and 11 hereof, or fails to pay the purchase price when required by the terms hereof, then this Contract may, at the option of the Seller, be terminated by the Seller and the Deposit retained by the Seller as liquidated damages.

(c) Revesting Title in Seller Upon Happening of Event Subsequent to Conveyance to Purchaser. Barring an event of force majeure, in the event that subsequent to conveyance of the Property or any part thereof to the Purchaser and prior to completion of construction of the improvements as certified by the Seller:

(1) The Purchaser (or successor in interest) shall default in or violate its obligations with respect to the construction of the improvements (including the nature and dates for the beginning and completion thereof), or shall abandon or substantially suspend construction work, and any such default, violation, abandonment, or suspension shall not be cured, ended, or remedied within ninety (90) days, (one hundred and eighty (180) days if the default is with respect to the date for completion of construction of the Improvements) after written demand by the Seller to do so; or

(2) The Purchaser (or successor in interest) shall fail to pay any appropriate or legally imposed real estate taxes or assessments on the Property or any part thereof when due, or shall place thereon any encumbrance or lien unauthorized by this Contract, or shall suffer any levy or attachment to be made, or any materialmen's lien, or any other unauthorized encumbrance or lien to attach, and such taxes or assessments shall not have been paid, or the encumbrance or lien removed or discharged or provision satisfactory to the Seller made for such payment, removal, or discharge, within ninety (90) days after written demand by the Seller to do so; or

(3) There is, in violation of this Contract, any transfer of the Property or any part thereof, and such violation shall not be cured within sixty (60) days after written demand by the Seller to the Purchaser,

Then, and in any such event, the Seller shall have the right to immediately re-enter and take possession of the Property, and to terminate, without further or additional notice, this Contract and re-vest in the Seller) the estate conveyed to the Purchaser, it being the intent of this provision, together with other provisions of this Contract, that the conveyance of the Property to the Purchaser shall be made upon, and that the Deed shall contain a condition subsequent to the effect that in the event of any default, failure, or violation, or other action or inaction by the Purchaser specified in subdivisions (a), (b), and (c) of this Section 14, failure on the part of the Purchaser to remedy, end or abrogate such default, failure, violation, or action or inaction, within the period and in the manner stated in the subdivisions, the Seller, at its option, may declare a termination in favor of the Seller of title, and all right, title, and interest in and to the Property conveyed by the Deed to the Purchaser, and any assigns or successors in interest to and in the property, shall revert to the Seller: Provided, that such condition subsequent and any re-vesting of title as a result thereof in the Seller shall always be subject to and limited by, and shall not defeat, render invalid, or limit in any way (a) the lien of any mortgage authorized by

this Contract, and (b) any right or interest provided in the Contract for the protection of the holder of such mortgage. In addition to the right of re-entry and re-vesting of title provided for in the preceding sentence, upon the occurrence of a default, failure or violation by the Purchaser as specified in said sentence, the Seller shall also have the right to retain the deposit as liquidated damages.

(d) Other Rights and Remedies; No Waiver by Delay. The Seller shall have the right to institute such actions or proceedings as it may deem desirable for effectuating the purpose of this Section 14, including also the right to execute and record or file among the public land records in the office in which the Deed is recorded, a written declaration of the termination of all rights, title and interest of the Purchaser, and (subject to such mortgage liens and leasehold interests as provided in Section 15 hereof), its successors in interest and assigns, in the Property, and the re-vesting of title hereto in the Seller: Provided, that any delay by the Seller in instituting or prosecuting any such actions or proceedings or otherwise asserting its rights under this Section 14 shall not operate as a waiver of such rights or to deprive it of or limit such rights in any way (it being the intent of this provision that the Seller should not be constrained so as to avoid the risk of being deprived of or limited in exercise of the remedy provided in this Section because of concepts of waiver, laches, or otherwise to exercise such remedy at a time when it may still hope otherwise to resolve the problems created by the default involved); nor shall any waiver in fact made by the Seller with respect to any specific default by the Purchaser under this Section be considered or treated as waiver of the rights of the Seller with respect to the particular default except to the extent specifically waived in writing.

(e) Return of Deposit: If one of the following two events occur, namely if (1) Seller does not tender conveyance of the Property, or possession thereof, in the manner and condition, and by the date for closing, as provided in this Contract, and any such failure shall not be cured within thirty (30) days after the date of written demand by the Purchaser: or if (2) the Purchaser shall, after preparation of Construction Plans satisfactory to the Seller, furnish evidence satisfactory to the Seller that it has been unable, after and despite diligent effort for a period of ninety (90) days after approval by the Seller of the Construction Plans, to obtain mortgage financing pursuant to Paragraph 5(f) for the construction of the Improvements on a basis and on terms that would generally be considered satisfactory by builders or contractors for improvements of the nature and type provided in such Construction Plans, and the Purchaser shall, after having submitted such evidence and if so requested by the Seller, continue to make diligent efforts to obtain such financing for a period of sixty (60) days after such request, but without success, then the Contract shall, at the option of the Purchaser, be terminated by written notice thereof to the Seller, and, the Good Faith Deposit returned to the Purchaser. In the event Purchaser elects to terminate the Contract pursuant to this Subsection 14 (e), then and in that event neither the Seller nor the Purchaser shall have any further rights against or liability to the other under the Contract. Nothing contained herein shall require the Purchaser to accept Mortgage financing which, in its opinion, is beyond its ability to service and financially perform.

(f) Termination of Right to Re-Acquire. Any right of Seller to reacquire the Property and any prohibition against transfer shall terminate upon the Seller's issuance of the Certificate of Completion.

SECTION 15. RESALE OF RE-ACQUIRED PROPERTY: DISPOSITION OF PROCEEDS

Upon the re-vesting in the Seller of title to the Property or any part thereof as provided in subdivision (c) of Section 14, the Seller shall use its best efforts to resell the Property or part thereof (subject to such mortgage liens and leasehold interests as in Section 14 set forth and provided) as soon and in such manner as the Seller shall find feasible and consistent with the objectives of applicable law and of the Urban Renewal Plan to a qualified and responsible party or parties (as determined by the Seller) who will assume the obligation of making or completing the construction or rehabilitation of the improvements or such other improvements in their stead as shall be satisfactory to the Seller and in accordance with the uses specified for such Property or part thereof in the Urban Renewal Plan. Upon such resale of the Property the proceeds thereof shall be applied as soon as reasonably feasible:

(a) First, to reimburse the Seller, on its own behalf or on behalf of the City, for all reasonable costs and expenses incurred by the Seller, including, but not limited to, salaries of personnel directly involved in connection with the recapture, management, and resale of the Property or part thereof (but less any income derived by the Seller from the Property or part thereof in connection with such management); all taxes, assessments, and water and sewer charges with respect to the Property or part thereof (or, in the event the Property is exempt from taxation or assessment or such charges during the period of ownership thereof by the Seller, an amount, if paid, equal to such taxes, assessments, or charges (as determined by the County assessing official as would have been payable if the property were not so exempt) and any payments made or necessary to be made to discharge any encumbrances or liens existing on the Property or part thereof at the time of re-vesting of title thereto in the Seller or to discharge or prevent from attaching or being made any subsequent encumbrances or liens due to obligations, defaults, or acts of the Purchaser, its successors or transferees; any expenditures made or obligations incurred with respect to the making or completion of the improvements or any part thereof on the Property or any part thereof; and any amounts otherwise owing the Seller by the Purchaser and its successors or transferee; and

(b) Second, to reimburse the Purchaser, its successors or transferee, up to the amount equal to (1) the sum of the Purchase Price paid by it for the Property (or allocable to any part thereof), and (2) the cash actually expended by Purchaser for hard costs incurred for on-site construction of the Project (exclusive of soft costs, including but not limited to, financing, planning, architect, legal, engineering, consultant and/or permitting fees and other similar costs and expenses) performing hard costs of construction of the Project on the Property or part thereof; LESS AND EXCEPT from said sum, any gains or income withdrawn or made by Purchaser from the Contract or the Property. Any balance remaining after such reimbursement shall be retained by the Seller as its Property.

(c) Contemporaneously with any reimbursement made to Purchaser by Seller as provided in this Section 15, Seller shall provide Purchaser with a written accounting statement in reasonably sufficient detail to disclose to Purchaser the accounting basis for the amount reimbursed to Purchaser. Furthermore, upon written request by Purchaser, Seller shall cooperate in a reasonable manner in the provision of such additional information to Purchaser as shall be reasonably necessary for a complete disclosure sufficient to enable Purchaser to fully understand the disposition of proceeds under this

(d) Notwithstanding any provision contained herein, or by virtue of ordinance or law of any local, state, or federal municipality having jurisdiction, Purchaser shall under no circumstance be liable for any “excess” over and above the Purchase Price.

SECTION 16. CONFLICT OF INTEREST: SELLER'S REPRESENTATIVES NOT INDIVIDUALLY LIABLE

(a) No Commissioner, member, official, counsel or employee of the Seller shall have any personal interest, direct or indirect, in this Contract, nor shall any such member, official or employee participate in any decision relating to this Contract which affects his personal interests or the interests of any corporation, partnership, or association in which he is, directly or indirectly, interested. No Commissioner, member, official, counsel or employee of the Seller shall be personally liable to the Purchaser or any successor in interest, in the event of any default or breach by the Seller or for any amount which may become due to the Purchaser or successor or on any obligation under the terms of this Contract.

(b) No officer, director, manager, member, trustee, employee or donor of Purchaser shall be personally liable to the Seller, or any successor in interest, in the event of any default or breach by the Purchaser or for any amount which may become due to the Seller or successor or on any obligation under the terms of this Contract.

SECTION 17. PROVISIONS NOT MERGED WITH DEED

No provision of this Contract is intended to or shall be merged by reason of any Deed transferring title to the Property from the Seller to the Purchaser or any successor in interest, and any such Deed shall not be deemed to affect or impair the provisions and covenants of this Contract.

SECTION 18. SPECIAL PROVISIONS

- a. **Conditions Precedent to Obligations of Purchaser:** It shall be a condition precedent to the obligations of Purchaser under this Contract that:
 1. That a Phase 1 environmental hazard inspection report, to be obtained at the option of the Purchaser within the time permitted under the terms of Section 4 hereof, determines the Property to be free of any environmental contamination or hazards in violation of regulatory standards. In the event that Purchaser does not obtain a Phase I environmental hazard inspection report within the permitted time, this condition precedent shall lapse and be of no further effect.
- b. **Arbitration and/or Mediation of Disputes:** Any disputes regarding the terms and conditions of the Redevelopment Contract or the redevelopment of the Property by Purchaser may be resolved by final and binding arbitration conducted in accordance with the Arbitration Rules of the American Arbitration Association (the “AAA”), by and through an out-of-state AAA

arbitrator with no previous relationship with either party or its counsel. The parties may also agree, in lieu of or prior to arbitration, participate in mediation, with a mutually agreed mediator, in an attempt to resolve any contract dispute.

- c. **Specific Performance:** The Parties hereby agree and acknowledge that either party may seek an order of Specific Performance from the Arbitrator governing any dispute arising out of this Contract.
- d. **Waiver of Right to Jury Trial:** The parties hereto expressly waive trial by jury of any dispute between the parties as to any term, condition, remedy or action for enforcement of this Contract.

SECTION 19. ADVERTISING

(a) The Purchaser agrees for itself, its successors and assigns, that during construction and thereafter, the Purchaser and its successor and assigns, shall include in any printed or published advertising for the sale of the Property, a statement to the effect (1) that the Property is open to all persons without discrimination on the basis of race, color, religion, sex, sexual orientation, national origin or handicapped status and (2) that there shall be no discrimination in public access and use of the Property to the extent that it is open to the public.

(b) **Lead Based Paint Use in Residential Structures.** The Purchaser agrees to comply with the regulations issued by the secretary of Housing and Urban Development set forth in 37 F.R. 22732-3 and all applicable rules and orders issued thereunder which prohibit the use of lead-based paint in residential structures under-going federally assisted construction or rehabilitation and require the elimination of lead-based paint hazards.

SECTION 20. NOTICES AND DEMANDS

A notice, demand or other communication under the Contract by either party to the other shall be sufficiently given or delivered if it is dispatched by registered or certified mail postage prepaid, return receipt requested or delivered personally; and

- (a) In the case of the Purchaser, is addressed to or delivered personally to the Purchaser at:

MORTON'S RESERVE PROPERTIES, LLC
8827 Crown Jewel Drive,
Richmond, Texas 77469
Attention: Michael E. Smith, owner and managing member
Email: mesmith@pineplacedev.com

(b) In the case of the Seller, is addressed to or delivered personally to:

Tulsa Development Authority
1216 N. Lansing Ave., Suite D
Tulsa, OK 74106
Attention: O. C. Walker, II, Executive Director
Email: ocwalker@tulsadevelopmentauthority.org

With a copy to:
Jot Hartley, General Counsel
The Hartley Law Firm
201 W. 5th Street, Ste 501
Tulsa, OK 74103
Email: johartley@gmail.com

or at such other address with respect to either such party as that party may from time to time designate in writing and forwarded to the other as provided in this Section.

SECTION 21. EQUAL EMPLOYMENT OPPORTUNITY

The Redeveloper, for itself and its successors and assigns, agrees that all undertaking receiving any form of Federal assistance shall during the construction of the Improvements provided for in the Contract that:

(b) The Purchaser will not discriminate against any employee or applicant for employment because of race, color, religion, sex, sexual orientation, age, national origin or handicapped status. The Purchaser will take affirmative action to insure that applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, sex, sexual orientation, age, national origin or handicapped status. Such action shall include, but not be limited to, the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Purchaser agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the Seller setting forth the provisions of this nondiscrimination clause.

(c) The Purchaser will, in all solicitations or advertisements for employees placed by or on behalf of the Purchaser, state that all qualified applications will receive consideration for employment without regard to race, color, religion, sex, sexual orientation, age, national origin or handicapped status.

(c) The Purchaser, when applicable, will send to each labor union or representative of workers with which the Purchaser has a collective bargaining agreement or other contract or understanding, a notice, to be provided, advising the labor union or worker's representative of the Seller's commitments under Section 202 of Executive Order 11246 of September, 1965, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

(d) All Purchasers, where construction consists of more than four dwelling units and the total cost of construction exceeds \$1,000,000, shall be required to maintain in his files a written Affirmative Action Program indicating the means and methods by which the Purchaser shall implement the provisions of Executive Order No. 11246 of September 28, 1965, and Title VI of Civil Rights Act of 1964, and Executive Order No. 11063. All Purchasers, when construction costs exceed one million dollars, shall be required to submit to the Seller a written copy of their Affirmative Action Program.

(e) The Purchaser will furnish all information and reports required by Executive Order 11246 of September 24, 1965, and by the rules, regulations and orders of the Secretary of Labor or the Secretary of Housing and Urban Development pursuant thereto, and will permit access to the Purchaser's books, records and accounts by the Seller, the Secretary of Housing and Urban Development and the Secretary of Labor of purposes of investigation to ascertain with such rules, regulations and orders.

(f) In the event of the Purchaser's noncompliance with nondiscrimination clauses of this Section, or with any of the said rules, regulations or orders, the Contract may be canceled, terminated or suspended in whole or in part and the Purchaser may be declared ineligible for further Government contracts or federally assisted construction contracts in accordance with procedures authorized in Executive Order 11246 of September 24, 1965, and such other sanctions may be imposed and remedies invoked as provided in Executive Order 11246 of September 24, 1965, or by rule, regulation or order of the Secretary of Labor, or as otherwise provided by law.

(g) The Purchaser, when applicable, will include the provisions of Paragraphs (a) through (g) of this Section in every contract or purchase order, and will require the insertion of these provisions in every subcontract entered into by any of its contractors, unless exempted by rules, regulations or orders of the Secretary of Labor issued pursuant to Section 204 of Executive Order 11246 of September 24, 1965, so that such provisions will be binding upon each such contractor, subcontractor, or vendor, as the case may be. The Purchaser will take such action with respect to any construction contract, subcontract or purchase order as the Seller or the Department of Housing and Urban Development may direct as a means of enforcing such provisions, including sanctions for noncompliance: Provided, however, that in the event the Purchaser becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the Seller or the Department of Housing and Urban Development, the Purchaser may request the United States to enter into such litigation to protect the interests of the United States. For the purpose of including such provisions in any construction contract, subcontract, or purchase order, as required hereby, the first three lines of this Section shall be changed to read "During the performance of this Contract, the Contractor agrees as follows:", and the term "Purchaser" shall be changed to "Contractor".

SECTION 22. WORKS OF ART REQUIREMENT (Excludes redevelopment costing less than \$500,000 and all Industrial/Warehouse redevelopment Projects)

The Purchaser agrees to comply with the Seller's policy requiring placement of "works of art" in or on redevelopment projects of \$500,000 (land and improvements) or more, said works of art shall be valued at 1% of the estimated project construction cost. Industrial and warehouse redevelopment projects are excluded from this policy requirement. For the purpose of this Section, works of art shall

be defined as "paintings, mural decorations, stained glass, statues, bas-reliefs, or other structures of a permanent or temporary character intended for ornamentation or commemoration," or other amenities such as hardscaping, landscaping, etc. which are over and above what would be considered normal and customary for the type of redevelopment proposed. All works of art placed or incorporated in a project, and the value thereof, shall be approved by the Board of Commissioners. The Purchaser agrees that with submission of its construction plans, or as soon thereafter as possible, to furnish the Seller with a list and description of the works of art to be placed in or upon the project, together with an estimated cost or value of said works of art. Seller agrees that any such works of art may be incorporated into the project to be constructed by Purchaser.

SECTION 23. COUNTERPARTS

This Contract is executed in three (3) counterparts, each of which shall constitute one and the same instrument.

IN WITNESS WHEREOF, the Seller has caused this Contract to be duly executed in its name and behalf by its Chairman, and the Purchaser has signed and sealed, if applicable, the same on or as of the day and year first above written.

TULSA DEVELOPMENT AUTHORITY,

By: _____
Roy Peters, Jr., Chairman

Dated: May 4, 2017

SELLER

MORTON'S RESERVE PROPERTIES, LLC

By: _____
Michael E. Smith, Manager

Dated: May 4, 2017

PURCHASER

Schedule "A"
To Contract of Sale
Seller – Tulsa Development Authority
Buyer – Morton's Reserve Properties, LLC
Dated May 4, 2017

Lots One(1), Two(2), Three(3), Four(4), Five(5), Six(6), Seven(7), Eight(8), Nine(9), Ten(10), less the south twenty feet(20') of Lots 4, 5, 6, and 7, Block Five (5), DUNBAR ADDITION to the City of Tulsa, Tulsa County, State of Oklahoma, according to the recorded plat thereof.

Project Name: Morton Property **Parcel #**

A/K/A ADDRESS: 660 E. Pine Street, Tulsa, OK. 74106

TDA Disposition #

I:\tda\morton building property\contract documents\tda_redevelopmentagreement_mortonsreserve - final 17.5.4.doc