
**TULSA DEVELOPMENT AUTHORITY
STAFF REPORT**

MEETING DATE: October 5, 2017
TO: Chairman and Board Members
FROM: Mayor's Office for Economic Development
SUBJECT: Redevelopment Agreement between First Place, LLC and Tulsa Development Authority
LOCATION: 419 South Main Street, Tulsa, Oklahoma

Background:

Owner:	Tulsa Development Authority
Developer:	First Place, LLC
Engineer:	N/A
Location:	419 South Main Street, Tulsa, Oklahoma
Size of Tract:	N/A
Number of Lots:	N/A
Development Area:	Deco District
Fair Market Value	\$1,670,000.00
Executive Director:	O.C. Walker

Other Relevant Information:

On September 7, 2017, the TDA Board approved Resolution No. 6370, revising a Redevelopment Agreement with First Place, LLC for the redevelopment of the real property located at 419 South Main Street, Tulsa, Oklahoma. TDA's role in the redevelopment project is to administer a loan in the amount of \$1,670,000.00 on behalf of the City of Tulsa's Downtown Development Redevelopment Fund. Tulsa Development Authority was designated and authorized as the public entity to carry out and administer the provisions of this Project. Mayor Bynum and City of Tulsa staff has continued to work towards a resolution to this negotiation, and feel comfortable that a beneficial set of terms have now been reached. The Mayor approved the terms that were sent to TDA on August 28, 2017. This is a request for the TDA Board to accept additional revisions to the Redevelopment Agreement and they are as follows:

- Section 1.K - Permitted Plans definition: Have added the words ", as amended," Intent is to include the amended plans that will need to be submitted to the City to incorporate the design changes agreed to with Mayor Bynum
- Section 20.11/10 - At the direction of James Coles (conveying the instruction of Mayor Bynum) TDA approval of "all elements of the Redevelopment Project" has been deleted

The TDA Office still needs the amount of the First Mortgage to be inserted into the blank in Section 6.

Attachments: **Redevelopment Agreement – with revisions**

Recommendation: Staff recommends this item be approved as presented.

Reviewed By: O.C. Walker, Executive Director
Tulsa Development Authority

REDEVELOPMENT AGREEMENT

THIS AGREEMENT 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 A, Tulsa, Oklahoma 74106, and FIRST PLACE, LLC (the “Developer”), an Oklahoma Limited Liability Company, having an address of 15 E. 5th St., Suite 400, Tulsa, OK 74103, to be effective on the date of execution by TDA (the “Effective Date”).

WHEREAS, the voters of Tulsa County, Oklahoma approved a funding package known as the “2013 Improve Our Tulsa” in which the City of Tulsa Downtown Redevelopment Funds was included as a specific 2013 Improve Our Tulsa project providing funds for projects promoting the economic vitality of downtown; and

WHEREAS, the City of Tulsa (the “City”) has set aside \$4,000,000.00 for Phase 1 Downtown Housing and Retail Development from the Third Penny Sales Tax and General Obligation Bonds in the Total Amount of \$918,700,000.00 approved in the 2013 election, for the purpose of providing financial assistance to Developers of projects in the Downtown Tulsa area; and

WHEREAS, the City has entered into an agreement with the Tulsa Development Authority (TDA) for administration of the financial assistance and expenditure of said funds for the development or redevelopment of the Downtown Tulsa area which specifies the duties, obligations and authority of TDA and establishes certain requirements and standards of performance to be imposed upon the selected developers of the downtown residential housing projects; and

WHEREAS, the City has developed guidelines, proposals and recommendations for the development or redevelopment of Tulsa properties located within the Inner Dispersal Loop and has appointed a Downtown Development and Redevelopment Fund Committee (“DDRF”) to review and make recommendations to the City as to those projects determined to be the most beneficial and efficient use of said funds in providing financial assistance to Developers of projects in the Downtown Tulsa area; and

WHEREAS, upon recommendations of DDRF, the City has selected Developer to receive funding to assist in the development of its Price-First Place Garage Project; and

WHEREAS, The Price-First Place Garage Project of Developer has been selected to construct, maintain and operate a mixed-use parking garage and commercial/retail development for new construction of a minimum of 500 space parking garage with 3,000 SF of immediate commercial/retail space (and provision for future retail development) on the ground floor at the corner of Main and 4th Streets, presently named the Price-First Place Garage Project on the property located at 405, 417 and 419 South Main Mall Street, Tulsa, Oklahoma 74103, being **Lot 4 and Lot 5, Block 1 in FIRST PLACE ADDITION and a part of Lot 5 in Block 138 of, ORIGINAL TOWN of the City of Tulsa, Tulsa County, State of Oklahoma, according to the recorded Plats thereof.** The minimum 500 space parking garage with 3,000 SF of commercial/retail space (and provision for future retail development) is to be constructed in a

good and workmanlike manner and substantially in accordance with the representations set forth in that certain proposal presented by the Developer to the DDRF and filed with TDA on October 1, 2015, as presented by Developer to the DDRF on August 21, 2015 and considered by the DDRF on September 23, 2015, in response to the Request For Proposals (RFP) issued by the DDRF all as modified by the amendment shown by the rendering (except as to color scheme) and Attachment A to Special Project Agreement dated August 24, 2017 (both attached hereto) as reviewed and approved by the Mayor of Tulsa on August 24, 2017; and

WHEREAS, based upon the recommendation of the DDRF above mentioned and the selection by the City, TDA has been directed to enter into negotiations for a Redevelopment Agreement between TDA and Developer in order to make available financial assistance in the sum of One Million Six Hundred Seventy Thousand Dollars (\$1,670,000.00), in the form of a non-interest bearing loan for a twelve (12) year term commencing ninety (90) days from the execution of this Agreement (subject to acceleration and repayment upon the sale of the Property/Project or the refinancing of the permitted first mortgage loan as hereinafter described) to be represented by a Promissory Note (subject to an alternative term as set forth herein and in the Promissory Note) and secured by a **second** Real Estate Mortgage on the premises above described, all in compliance with the terms and conditions of this Agreement and the Special Projects Agreement between TDA and the City of Tulsa governing the administration of the third penny sales tax funds for Downtown Development.

NOW, THEREFORE, in consideration of the mutual covenants, promises and conditions set forth herein, the parties hereto do hereby agree as follows, to-wit:

SECTION 1. DEFINITIONS.

The terms herein set forth shall for all purposes of this Redevelopment Agreement have the following meanings. Unless the context otherwise indicates, words importing the singular shall include the plural and vice versa and the use of the neuter, masculine or feminine gender is for convenience only and shall be deemed to mean and include the neuter, masculine and feminine gender.

A. “Advance” shall mean any of the Advances of funds requested by the Developer and approved by TDA to reimburse Developer for “Expenditures Eligible for Reimbursement” (as defined in Section (D) in the development of the project.

B. “Advance Request” means each Advance Request signed by the Developer and TDA in the form set forth on Attachment “A” attached hereto.

C. “Construction Documents” shall mean all renderings, schematics, drawings, specifications, construction plans, construction standards, materials lists, color schemes, lighting, street environment, tunnel access, alleyway, retail space, entryways, awnings, signage, architectural and aesthetic features, exterior components, etc. prepared and/or utilized for construction of the Redevelopment Project, and shall also mean any document required to be submitted to the City of Tulsa for regulatory approval including,

without limitation, zoning clearance, issuance of building permit and certificate of occupancy.

D. “Developer” or “Redeveloper” means FIRST PLACE, LLC, of which Stuart Price is manager.

E. “Expenditures Eligible for Reimbursement” means all costs associated with improvements in the development and construction of Price-First Place Garage Project, together with all construction supplies and services attributable to and essential for the construction of Price-First Place Garage Project. Such reimbursements, calculated as a percentage of the Maximum Amount of Advances, shall not exceed the percentage of completion of Price-First Place Garage Project as certified in writing addressed to TDA by a licensed architect acceptable to TDA.

F. “Development Costs” means the Expenditures Eligible for Reimbursements set forth for the Developer.

G. “Downtown Tulsa” means that area bounded by the loop known as the Inner Dispersal Loop created around the central business district by various highways in Tulsa.

H. “Loan Amount” means the Maximum Amount of Advances in the principal sum of One Million Six Hundred Seventy Thousand Dollars (\$1,670,000.00) with zero (0) interest accruing unless default occurs in which event the interest rate during default until repayment shall be six (6) per cent per annum upon the outstanding principal balance..

I. “Loan Term” means the term of the Promissory Note to be executed by Redeveloper which term shall be for a period of twelve (12) years commencing ninety (90) days from the date of Developer’s execution of this Agreement, subject to acceleration upon sale of the Project or Property or upon refinancing of the permitted first mortgage indebtedness.

J. “Maximum Amount of Advances” means the principal sum of One Million Six Hundred Seventy Thousand Dollars (\$1,670,000.00), which is the amount of the Loan.

K. “Permitted Plans” means those Construction Documents, as amended, submitted to and approved by the City of Tulsa Permits Department for the issuance of a permit to build the Redevelopment Project.

L. “Property” means the real estate located at located at 405, 417 and 419 South Main Street Mall, Tulsa, Oklahoma 74103, being **Lot 4 and Lot 5, Block 1 in FIRST PLACE ADDITION and a part of Lot 5 in Block 138 of, ORIGINAL TOWN of the City of Tulsa, Tulsa County, State of Oklahoma, according to the recorded Plats thereof.**

M. “Redevelopment Project” or “Price-First Place Garage Project” or “Project” means the design, construction and operation of a minimum of 500 space parking garage

with 3,000 SF of immediate commercial/retail space (and provision for future retail development) on the ground floor at the corner of Main and 4th Streets, to be located on the Property described herein, as more particularly described in documents submitted by Developer to the DDRF and the TDA Board of Commissioners in response to the RFP; all as modified by the amendment shown by the rendering (except as to color scheme) and Attachment A to Special Project Agreement dated August 24, 2017 (both attached hereto) as reviewed and approved by the Mayor of Tulsa on August 24, 2017.

N. “Termination Event” shall mean the occurrence of any of the following:

1. Default under Redevelopment Agreement. Any default in or breach of the terms and provisions of the Promissory Note, the First or Second Mortgages and/or this Redevelopment Agreement, including without limitation the Special Conditions set forth in Section 20 hereof, which has not been remedied to the satisfaction of TDA or the City, within ninety (90) days after written notice thereof has been given to the Developer by any one or more of said parties specifying such default or breach.

2. Representations. Any representation, advance request, statement, certificate, schedule or report made or furnished to the DDRF, the City and/or the TDA by the Developer proved to be false or materially misleading at the time of the making thereof; and Developer fails to take or cause to be taken corrective measures satisfactory to TDA within ninety (90) days after receipt of written notice from TDA shall cause a default.

SECTION 2. SUBMISSION AND APPROVAL OF CONSTRUCTION PLANS.

A. All Construction Documents (and any subsequent changes, alterations, modifications or amendments to the Construction Documents) with respect to the Redevelopment Project for the development or redevelopment of the Property and construction of improvements shall be subject to the prior review and approval by the TDA Board of Commissions, Developer shall submit such Construction documents to TDA not less than forty (40) days prior to the requested date for approval by the TDA. The Construction Documents (and any subsequent changes, alterations, modifications or amendments to the Construction Documents) shall be in compliance with, all necessary permits, inspections, applicable codes and procedures of, the City of Tulsa. Developer shall furnish to TDA copies of all certificates, permits or reports issued by the City of Tulsa for the Redevelopment Project. Further, all such plans shall be substantially in compliance with the descriptions, standards, specifications and representations set forth in the documents submitted to the DDRF and the TDA Board of Commissioners; all as modified by the amendment shown by the rendering (except as to color scheme) and Attachment A to Special Project Agreement dated August 24, 2017 (both attached hereto) as reviewed and approved by the Mayor of Tulsa on August 24, 2017.

B. This Agreement requires the design, construction and operation by the Developer of a minimum of 500 space parking garage with 3,000 SF of immediate

commercial/retail space (and provision for future retail development) on the ground floor at the corner of Main and 4th Streets, to be located on the Property described herein, as more particularly described in documents submitted by Developer to the DDRF and the TDA Board of Commissioners in response to the RFP constructed/redeveloped; all as modified by the amendment shown by the rendering (except as to color scheme) and Attachment A to Special Project Agreement dated August 24, 2017 (both attached hereto) as reviewed and approved by the Mayor of Tulsa on August 24, 2017. The Project is to be financed, constructed and operated in accordance with the provisions and requirements of Attachment A hereto, including, but not limited to:

- **Project:** The construction and development of a multi-level parking structure, (the "structure,") with 3,000 sf of immediate retail and provisions for future retail development on the ground floor as presented on the attached architect rendering which shall become part of the final agreement. The structure is to be located at 405 South Main Mall Street East, 417 South Main Mall Street East, and 419 South Main Mall Street East. The project and agreement shall be in accordance with the Special Projects Agreement between TDA and City dated June 3, 2015 and the special terms and conditions as set forth herein.
- **Authorized Loan Amount:** \$1,670,000.00
- **Authorized Repayment Term:** 12 years (120 months) Security: Second Mortgage on the real property comprising the Project to TDA in the amount of \$1,670,000.
- **Special Terms and Conditions:**

Term: The Downtown Development/Redevelopment Funds will remain outstanding, without interest, for twelve (12) years, beginning ninety (90) days from the date First Place LLC executes a Redevelopment Agreement with TDA. The Agreement shall be completed within 90 days of initial negotiations with TDA. Loan funds shall be fully due and payable upon refinancing of the first mortgage or sale of the property.
- **Project Criteria:**
 - The project shall maintain public access via the tunnel system between the Main Park Plaza garage and the new facility.
 - The structure will provide and maintain a minimum of 500 parking spaces.
 - The project will be designed to accommodate initial 3,000 sf of retail at the corner of Main and 4th Streets with future retail development to be located on the remaining street level which will generate sales tax revenue for the City.

- First Place LLC is pleased that this project will make available at least 500 additional parking spaces in the structure that as a result will support adaptive reuse and redevelopment of existing downtown buildings that otherwise struggle with high vacancy rates.
- **Urban Design Considerations:**
 - Developments receiving assistance in the form of public funds shall comply with applicable adopted City codes, plans and policies.
 - Project will be constructed in substantial conformance with attached rendering, plans and descriptions provided to the City for review of the requested financial assistance.
 - TDA will engage City staff as needed to review plans and any proposed amendments to the project during the course of construction.
 - Colors of decorative lateral bars on rendering are illustrative and not intended to be final colors; final colors shall be agreed between the Mayor and the developer.
 - Structural Standards: The structure shall be engineered, designed and constructed, and the materials utilized in the construction thereof, in a manner to be of sufficient strength and load capacity to permit the future addition of additional signage, lighting, architectural, aesthetic and/or features developed from future technology and other similar components to the exterior of the structure.
 - Lighting: Lighting will reflect styles complementary to the Streetscape Master Plan and architecture of surrounding buildings including those of historic significance. Lighting should also complement the architectural features of the building in addition to providing lighting for the street environment.
 - Street environment: Improvements to the street environment must be in line with established plans for the city including the Tulsa Streetscape Master Plan and Centennial Walk Plan. This includes paving materials, lighting, landscaping and street furniture.
 - Alleyway: Alleyways in the downtown are to be maintained as an integral part of the city street grid. The alley behind this development should be well lit and continue to allow for the flow of auto and pedestrian traffic between buildings.
 - Retail: Retail spaces and entries must face the streets.
 - Accessory: Awnings can be provided to provide shade for seating areas and window browsing in front of ground floor retail areas. Awnings should be visually appealing with a good degree of color, quality material, visual appeal and articulation.
 - Use of right-of-way: Any permanent and functionally mandatory

part of the structure that is proposed to be located in the public right-of-way, a vocational closure is preferred over a revocable license agreement which contemplates temporary features.

- **Loan Position:** The Tulsa Development Authority shall be in second position on the loan. TDA shall ensure that the combined principal amount of the first mortgage lien and the TDA second mortgage lien will not be in an amount in excess of the appraised value of the Property, including existing structures and improvements together with the "as completed" Project and will take all appropriate actions to avoid the impairment of its lien and the preclusion of the recovery of the public funds awarded to this project.
- **Default Interest Clause:** A default interest rate shall be 6% per annum on the unpaid balance.

C. Copies of all documents, including drawings, specifications, invoices and data created by or submitted to TDA in connection with the redevelopment of the Property shall become and remain the property of the City of Tulsa, Oklahoma.

SECTION 3. SCHEDULE OF REDEVELOPMENT.

Time is of the essence in the completion of construction of Price-First Place Garage Project. The construction/redevelopment of the units upon and within the Property shall commence within Ninety (90) days after the issuance of a building permit by the City of Tulsa and shall be completed within eighteen (18) 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. If at any time during construction, the Developer determines that it will not be able to complete the plans within the time allocated, it shall forthwith give notice to TDA of that fact and advise TDA of the reason for the delay and the additional time needed for completion. TDA shall have the option of granting additional time by amending this Agreement and granting additional time for approval or in the alternative of electing to terminate the project by reason of the failure of Developer to timely complete the work. In such event, notice of termination shall be given in the manner set forth in Section 17.

SECTION 4. CONDITIONS PRECEDENT TO FUNDING OF LOAN.

TDA shall have no obligation to authorize the Developer to commence work on the Redevelopment Project before: Developer and TDA have executed this Agreement, the TDA Board of Commissioners has approved the Construction Documents, TDA has determined that funds are available for reimbursement to Developer and Developer has furnished TDA the following documents: and

- A. An abstract of title, certified at least to the Effective Date of this Agreement, showing marketable title to the Property to be vested in the Developer, subject only to the mortgage, if any, in the amount stated herein below in SECTION 6. TITLE.

B. Documentation in such form as TDA shall reasonably require, demonstrating 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, documents, proposals and representations of the Developer made to the DDRF, the City and/or to the TDA Board of Commissioners; all as modified by the amendment shown by the rendering (except as to color scheme) and Attachment A to Special Project Agreement dated August 24, 2017 (both attached hereto) as reviewed and approved by the Mayor of Tulsa on August 24, 2017.

D. TDA shall have determined that the construction work for which reimbursement is requested by Developer was for the construction of the Price-First Place Garage Project.

SECTION 5. OBLIGATION OF TDA TO MAKE ADVANCES.

The obligation of the Tulsa Development Authority to make advances is conditioned upon the availability of funds to cover said advances which are being furnished by the City of Tulsa, Oklahoma, from the third penny Downtown Development funds.

SECTION 6. TITLE.

A. Developer, within thirty (30) days from the Effective Date of this Agreement, shall furnish TDA an abstract of title certified at least to the Effective Date, showing a marketable title to the Property vested in Developer, subject only to reasonable utility easements, building restrictions of record, and a first mortgage in favor of a lending institution providing refinancing of existing indebtedness upon the Property together with construction loan funds for the Project, as Mortgagee, in the principal amount _____ (\$_____). 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.

B. Upon acceptance of title to the Property by TDA, a loan Closing shall be scheduled at a mutually agreeable date and time at the offices of TDA which Closing must occur within 90 days from the date hereof unless such time is extended to permit satisfaction of title defects or to a date certain by an agreement in writing signed by both parties. At Closing, the Developer shall execute a Promissory Note and second mortgage to TDA in the forms attached hereto as Exhibit "B" and Exhibit "C" in the principal amount of the loan (the Loan Amount), for the sum of One Million Six Hundred Seventy Thousand Dollars (\$1,670,000.00). TDA shall promptly file the Mortgage for recordation

among the land records of Tulsa County, Oklahoma, showing TDA as a second Mortgagee.

SECTION 7. TDA AND CITY RIGHT TO INSPECT.

Developer acknowledges and agrees that TDA and the City of Tulsa shall have the right to inspect the Property at all reasonable times upon receipt of twenty-four (24) hours written notice.

SECTION 8. LIMITATION UPON ENCUMBRANCE OF PROPERTY.

A. After execution of this Agreement and prior to the Developer's repayment of the second mortgage loan to TDA on the Property, the Developer shall not engage in any financing or any other transaction creating any additional mortgage, 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 without the prior written consent of TDA. The Developer may re-finance the first mortgage, if any, at will; Provided that in the event of any such re-finance of the first mortgage, all sums due to TDA under the Promissory Note and Mortgage shall be due and payable in full at the closing of such re-finance transaction.

B. Should any taxes, assessments, encumbrance, mechanic's or any materialmen's lien, or any other unauthorized encumbrance or lien attach to the Property, and the Developer fail to take or cause to be taken corrective measure to cure any such encumbrance or lien within ninety (90) days after written demand by TDA, or such other time as agreed in writing by both parties, this Agreement shall be in default.

C. Developer agrees that all of the proceeds of any first mortgage and all funds received from the loan from TDA herein authorized must be expended on the Price-First Place Garage Redevelopment Project on the Property described herein.

SECTION 9. DILIGENCE REQUIRED.

A. The Developer agrees for itself, its successors, and assigns to promptly begin and diligently complete the Redevelopment Project on the Property through the construction of the improvements thereon, and the construction shall in any event be begun and completed within the periods specified above, unless a written extension has been approved and executed by both parties. It is agreed that these agreements and covenants shall be covenants running with the land, binding for the benefit of the City of Tulsa, Oklahoma and TDA, and enforceable by TDA and the City against the Developer and its successors and assigns.

B. If the Developer, or its 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 the Developer fails to take or cause to be taken corrective

measure to cure any such default, violation, abandonment, or suspension within ninety (90) days after written demand by TDA, or such other time as agreed in writing by both parties, then TDA shall have the right to institute such actions or proceedings as it may deem desirable, including, without limitation, specific performance or foreclosure through judicial proceedings.

SECTION 10. CONTACT PERSON.

The Developer agrees that Stuart Price is the manager of Developer. Stuart Price shall act as primary contact person, acting on behalf 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: Stuart Price
Address: 15 E. 5th St., Suite 400
Address: Tulsa, Oklahoma, 74103
Phone: (918) 581-3300
E-mail: wsprice142@aim.com

SECTION 11. UNCONTROLLABLE FORCES:

Neither TDA nor the Developer shall be considered to be in default of this Agreement if delays in or failure of performance shall be due to forces which are beyond the control of the parties, including, but not limited to: fire, flood, earthquakes, storms, lightning, epidemic, war, riot, civil disturbance, sabotage, inability to procure supplies, materials or services required to be provided by either TDA or the Developer under this Agreement.

SECTION 12. LOAN PROCEEDS AVAILABLE TO DEVELOPER.

Loan proceeds available to the Developer are subject to the terms and conditions set forth herein and any terms contained in the City of Tulsa/TDA Development Agreement, as well as the Promissory Note and Mortgage, Attachments Exhibits "B" and "C", in the principal sum of One Million Six Hundred Seventy Thousand Dollars (\$1,670,000.00). These funds shall be available to draw upon by the Developer as Expenditures Eligible for Reimbursement for improvements to the Property solely from the City of Tulsa Account established for the funding of the project described herein. No other funds of the City of Tulsa, nor any funds of TDA, are committed to or are available for this project. Reimbursement shall be made only for the Developer's Expenditures Eligible for Reimbursement properly submitted to and approved by TDA and the City.

SECTION 13. BONDS AND INSURANCE.

Prior to commencement of construction of the project, Developer shall provide to TDA the following documents:

- A. A statutory payment bond, or any other form of insurance or bond agreed to by the parties, in the amount of the total construction cost of the Project.
- B. A copy of the general contractor’s certificate of insurance from an insurance company licensed to do business in Oklahoma evidencing all-risk builders risk insurance with coverage at least in the amount of the total construction cost of the Project: Dollars_____ (\$_____.00).
- C. A certificate of general liability insurance with bodily injury and property damage combined single limit coverage of not less than \$1,000,000.00 and not less than \$2,000,000.00 in the aggregate. TDA and the City shall be named as additional insured and shall be notified of any policy cancellation by thirty (30) days written notice.

SECTION 14. APPLICATION FOR ADVANCES.

Requests from the Developer for an Advance of Expenditures Eligible for Reimbursement shall be made to TDA.

- A. Requests shall be made no more frequently than once every thirty (30) days.
- B. No amounts shall be reimbursed upon the expiration of twenty-four (24) months after the issuance of a building permit by the City of Tulsa unless, by subsequent action, the Tulsa Development Authority has authorized an extension of said date.
- C. All requests shall be made in the following manner and include the following:
 - 1. When and where applicable, requests shall be submitted on an AIA Document G702. Requests shall be accompanied by a certification of the percentage of completion of the Project issued by a licensed architect and shall include a schedule of values for all elements of work performed; and
 - 2. A detailed invoice and corresponding cancelled check or certified check; and
 - 3. When applicable, an approved City permit related to the applicable expense on the invoice, and which TDA has reviewed under the City’s PALS system; and
 - 4. A signed subcontractor lien waiver for each applicable portion on the invoice; and

5. A valid certificate of insurance for worker's compensation for each contractor or subcontractor services on the invoice.

SECTION 15. CERTIFICATE OF COMPLETION.

A. Promptly after completion of the construction of the improvements in accordance with this Agreement, and upon written notification from the Developer that the work has been completed, the Developer shall provide to TDA a copy of the Certificate of Occupancy issued by the City, following the City's final building inspection; and TDA, after a satisfactory final inspection, will furnish the Developer with a Certificate of Completion. The certification by TDA shall be a conclusive determination of satisfaction and termination of the covenants in this Agreement with respect to the obligations of the Developer and its successors and assigns to construct the improvements. The certification shall be in such form as will enable it to be recorded in the Tulsa County land records.

B. All other covenants in this Agreement shall remain in force and effect upon the Developer and its successors and assigns until the loan is repaid and a release of the mortgage has been filed of record.

SECTION 16. NON-DISCRIMINATION IN EMPLOYMENT, ACCESS, RENTAL OR SALE.

The Developer agrees for itself, its successor and assigns that the Property is open to all persons without discrimination on the basis of race, color, religion, sex, sexual orientation, age, national origin or handicap status and that there shall be no discrimination in employment, and allowing use of or access to the public areas of the Property or in the rental of the parking spaces and/or commercial/retail spaces and agrees to include a statement to that effect in any advertisement for the construction or rental of the parking spaces and/or commercial/retail spaces.

SECTION 17. NOTICES AND DEMANDS.

A notice, demand or other communication under this Agreement 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 as follows:

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

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

To the Developer:
Stuart Price, Manager
15 E. 5th St., Suite 400
Tulsa, OK 74103

With a copy to:
Gregory W. Alberty, Attorney
Hall Estill Law Firm
320 S. Boulder, Suite 200
Tulsa, OK 74103-3706
galberty@hallestill.com

SECTION 18. PROHIBITION AGAINST TRANSFER OF THE PROPERTY WITHOUT WRITTEN PERMISSION OF TDA.

The Developer has not made or created, and will not, prior to the repayment of the Maximum Amount of Advances (plus accrued default interest, if any) in full, as certified by a mortgage release filed by TDA, make or suffer to be made the sale of all or any part of the Property, except as hereinafter provided, and agrees the Property is subject to the Due on Sale Clause. This restriction shall not prohibit the current owners of Developer (and/or any owner of an interest in the current owners of Developer) from transferring all or part of an ownership interest in the Developer to any member of his family within the second degree of consanguinity or other entity wholly-owned either as a stockholder, member or partner of Developer. Further, the current owners of Developer shall not be prohibited from transferring or selling up to an undivided forty-nine percent (49%) of the ownership interest in the Developer.

SECTION 19. LEASE OF UNITS PERMITTED.

The Developer shall have the right to lease any unit of the Property within the structure(s), whether for parking, commercial, or retail purposes.

SECTION 20. SPECIAL CONDITIONS.

As a part of the consideration to TDA and the City for the interest free loan funds to be provided to Developer, the Developer agrees:

1. The design criteria of the Project shall be developed in coordination with the TDA Executive Director and the City of Tulsa Planning Department to ensure that the Project will be constructed as depicted in the architect rendering/drawing/picture (except as to the color of the façade) and representations set forth in that certain proposal presented by the Developer to the DDRF on August 21, 2015 and considered by the DDRF on September

23, 2015, in response to the Request For Proposals (RFP) issued by the DDRF and filed with TDA on October 1, 2015; all as modified by the amendment shown by the rendering (except as to color scheme) and Attachment A to Special Project Agreement dated August 24, 2017 (both attached hereto) as reviewed and approved by the Mayor of Tulsa on August 24, 2017.

2. The parking garage shall provide one (1) parking space per 1,200 SF of commercial/retail space in the Project. It is the intent of the Developer to offer, at market rental rates, any excess parking spaces from the Project for use by other new developments in downtown Tulsa, Oklahoma.

3. The project shall maintain public access via the tunnel system between the Main Park Plaza garage and the new facility.

4. Materials: Materials for the building will be applied as shown on the rendering submitted with the application, as revised. The different materials will provide variety and interest to the façade at the base of columns, façade of building, window lintels and storefront overhangs. Quality materials must be utilized as stated in the City's Comprehensive Plan.

5. Lighting: Lighting: Lighting will reflect styles complementary to the Streetscape Master Plan and architecture of surrounding buildings including those of historic significance. Lighting should also complement the architectural features of the building in addition to providing lighting for the street environment.

6. Street environment: Improvements to the sidewalk, if undertaken, will maintain the character of the street. New or replacement pavers, street lighting, landscaping and street furniture will be complementary to existing improvements along Main Street.

7. Architectural: The architectural elements of the building shall be provided as described in the application. These elements include the rhythm of columns, changes in materials and variations in the type of windows. Small architectural cues may be incorporated complement the historic buildings located around Bartlett Square.

8. Signage: Signage shall be in conformance with CBD Zoning. Banners are encouraged provided they are reviewed by the City of Tulsa planning department and zoning administrator.

9. Alleyway: Alleyways in the downtown are to be maintained as an integral part of the city street grid. The alley behind this development should be well lit and continue to allow for the flow of auto and pedestrian traffic between buildings.

~~10. All elements of the Redevelopment Project listed in this Section 20, together with those contained in the Construction Documents, prior to construction shall be subject to the separate review and approval by the TDA Board of Commissioners.~~

SECTION 21. AGREEMENT TO SURVIVE CLOSING OF LOAN.

The terms and provisions of this Agreement shall survive the Closing and remain in full force and effect until the repayment of all sums due under the Promissory Note and Mortgage from Developer to TDA.

SECTION 22. DEFAULT OR BREACH OF AGREEMENT.

Except as otherwise provided in this Agreement, in the event of any default in or breach of the Agreement, 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 such 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 and/or foreclosure of the Mortgage. Upon the expiration of the ninety (90) day notice for any such non-remedied default, interest at the rate of six (6) percent per annum shall accrue upon the outstanding balance of the Loan Amount until paid in full.

SECTION 23. COUNTERPARTS.

This Agreement may be executed in counterparts, each of which shall constitute one and the same instrument and may be used as an original.

IN WITNESS WHEREOF, the parties have executed this Agreement on the dates set forth below to be effective on the date of execution by TDA.

TULSA DEVELOPMENT AUTHORITY

By: _____
Roy Peters, Jr., Chairman
"TDA"

Date of execution: September ____, 2017.

FIRST PLACE, LLC

By: _____
Stuart Price, Its Manager

Date of execution: September ____, 2017.

ATTACHMENT "A"

ADVANCE REQUEST

Pursuant to the Redevelopment Agreement dated September _____, 2017 (the "Redevelopment Agreement"), by The Tulsa Development Authority ("TDA") and FIRST PLACE, LLC ("Developer"), Developer hereby requests an Advance in the amount of \$_____ for the account of Developer from the account in the City of Tulsa established for Price-First Place Garage Project Redevelopment Agreement.

Developer does hereby certify to the TDA that, as of the date hereof: (i) the representations in the Redevelopment Agreement are hereby ratified and confirmed, (ii) the requested Advance herein is for the Expenditures Eligible for Reimbursement of Development Costs (as defined in the Redevelopment Agreement), (iii) there exists no default in or breach of the terms and provisions of the Redevelopment Agreement by Developer, (iv) the Redevelopment Agreement is in full force and effect, and (v) all conditions precedent to payment of the requested Advance herein have been met and payment of the Advance requested herein is proper pursuant to the terms of the Redevelopment Agreement, (vi) attached hereto are copies of the AIA form (when applicable), architect certification of percentage of completion of the Project, schedule of values for all elements of work performed, invoices, cancelled checks, and other documentation required to be received by TDA under the Redevelopment Agreement in connection with such Expenditures Eligible for Reimbursement, all of which invoices and other documents have been approved by TDA, (vi) there has not been filed with or served upon TDA notice of any lien, right to lien, or attachment upon or claim affecting the right to receive payment of, any of the monies payable to any of the persons, firms, or corporations named in such invoices, which have not been released or will not be released simultaneously with the payment of such obligation, and (vii) TDA has received from Developer all documents required by the Redevelopment Agreement, including, but not limited to the statutory payment bond, the certificate evidencing all-risk builders risk insurance.

Dated this _____ day of September, 2017.

FIRST PLACE, LLC

By: _____
Stuart Price, Its Manager

Dated this _____ day of September, 2017.

The above Advance Request is hereby approved this ____ day of _____, 2017.

TULSA DEVELOPMENT AUTHORITY

By: _____
Executive Director