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**TULSA DEVELOPMENT AUTHORITY  
STAFF REPORT**

**MEETING DATE:** October 5, 2017  
**TO:** Chairman and Board Members  
**FROM:** O.C. Walker  
**SUBJECT:** First Amendment to the Ogans Circle Contract for Sale of Land for Private Redevelopment  
**LOCATION:** South of East Virgin Street, between North Lansing Street and the Osage Prairie Trail, Tulsa, Oklahoma

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**Background:**

<b>Redeveloper:</b>	<b>Capital Homes Residential Group, LLC</b>
<b>Owner:</b>	<b>Capital Homes Residential Group, LLC</b>
<b>Location:</b>	<b>South of East Virgin Street, between North Lansing Street and the Osage Prairie Trail, Tulsa, Oklahoma</b>
<b>Size of Tract:</b>	<b>3.21 Acres</b>
<b>Zoning:</b>	<b>Single Family Residential</b>
<b>Development Area:</b>	<b>Lacy Park neighborhood</b>
<b>Fair Market Value</b>	<b>\$140,000.00</b>
<b>Executive Director:</b>	<b>O.C. Walker</b>

**Relevant Info:** On February 15, 2017, the TDA Board of Commissioners entered into a Contract for Sale of Land for Private Redevelopment to Capital Homes Residential Group, LLC to construct fourteen (14) single family dwellings at property located South of East Virgin Street, between North Lansing Street and the Osage Prairie Trail, Tulsa, Oklahoma.

In the absence of a provision in Section 18(c) specifying the term of the down payment assistance loans to be provided by TDA, the parties had agreed to a seven-year term for the TDA loans.

TDA has been advised that the loan underwriters will not approve a down payment assistance loan term of less than ten (10) years. A solution has been proposed to have the TDA loan term stated in each Promissory Note and Second Mortgage as a ten (10) year term with an agreement from Capital Homes to buy out each TDA loan after seven (7) years from closing and obtain an assignment from TDA to Capital Homes of the Promissory Note and Second Mortgage for each loan that is bought out.

To accomplish this result, General Counsel for TDA has prepared a First Amendment to add a new subsection 18(c)(5) for approval by the parties.

This is a request to confirm, ratify and approve First Amendment to the Redevelopment Agreement.

**Attachments:** First Amendment to Contract for Sale of Land for Private Redevelopment  
– Ogans Circle Project – Capital Homes

**Recommendation:** Staff recommends the TDA Board of Commissioners approve this item as presented.

**Reviewed By:** **O.C. Walker**

**FIRST AMENDMENT TO CONTRACT FOR SALE OF  
LAND FOR PRIVATE REDEVELOPMENT – CAPITAL HOMES  
RESIDENTIAL GROUP, LLC – OGAN’S CIRCLE PROJECT**

**THIS FIRST AMENDMENT TO CONTRACT FOR SALE OF LAND FOR PRIVATE REDEVELOPMENT** is made and entered into by and between the Tulsa Development Authority (“TDA”), a public body corporate, having its principal office at 1216 N. Lansing Avenue, Suite A, Tulsa, Oklahoma 74106, and **CAPITAL HOMES RESIDENTIAL GROUP, LLC** (hereinafter called "Purchaser"), whose mailing address is: 12150 E. 96<sup>TH</sup> St. N., Suite 202, Owasso, OK 74055, effective from the date of execution hereafter shown constitutes the First Amendment to that certain Contract for Sale of Land for Private Redevelopment (the “Contract”) between TDA and Purchaser dated as of the 15<sup>th</sup> day of February, 2017 .

**W I T N E S S E T H:**

**WHEREAS**, heretofore the TDA and MORTON’S RESERVE PROPERTIES, LLC on or about the 15th day of February, 2017, entered into the Contract for Sale of Land for Private Redevelopment of that certain real property more particularly on Attachment A hereto, known as the Ogan’s Circle Project (the “Project”); and,

WHEREAS, Purchaser has requested that the TDA Board of Commissioners approve a First Amendment to said Contract by amending Section 18(c) to add a new subsection 18(c)(5) to provide:

- (a) a ten year term for the down payment assistance loans to be provided by Seller,
- (b) to specify a ten year term of the Promissory Note and Second Mortgage to be given to TDA upon the advance of such loan funds, and
- (c) to require Purchaser to repay amounts due to TDA upon such loans after a period of seven years and receive an assignment of such Promissory Notes and Second Mortgages; all to enable Purchaser to complete the Project and redevelopment of the Property; and

**WHEREAS**, the Board of Commissioners of TDA, having duly considered the facts and circumstances has determined that a First Amendment of the Contract should be approved as requested by Purchaser;

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

1. The TDA and Purchaser do hereby agree to a First Amendment to the said Contract by amending Section 18(c) to **add a new subsection 18(c)(5)** to provide as follows:
  - 5. The down payment assistance loans to be provided by Seller and the Promissory Notes and Second Mortgages representing such down payment assistance loans and to be executed and delivered by the borrower to TDA

upon the advance of loan funds shall each be for a term of ten (10) years from the date of the closing of the purchase of the residence by the borrower from Purchaser. The Purchaser agrees and covenants to repay all amounts due to TDA upon each such loan at the expiration of a period of seven years from date of each Promissory Note and Second Mortgage for each loan and receive an assignment of each such Promissory Note and Second Mortgage from TDA to Purchaser. Each such assignment shall be without warranty or guarantee of payment by TDA.

2. The parties agree that all other terms and provisions of the Contract dated on or about the 4th day of May, 2017, shall remain the same except as expressly amended herein and the parties hereto hereby ratify and confirm all other terms and conditions set forth in said Contract.

This First Amendment of Contract is executed and effective as of the 26th day of September, 2017.

**TULSA DEVELOPMENT AUTHORITY**

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

“TDA”

**CAPITAL HOMES RESIDENTIAL GROUP, LLC**

By: \_\_\_\_\_  
David Charney, Manager

“Purchaser”

**Attachment “A”  
To Contract of Sale  
Seller – Tulsa Development Authority  
Buyer – Capital Homes, LLC  
Dated February 15, 2017**

**Lots One (1) thru Fourteen (14), of OGAN’S CIRCLE SUBDIVISION, a re-subdivision of Lots 1-7, Block 2 Carter Addition, Less and Except the East 20 feet thereof; an addition to the City of Tulsa, Tulsa County, State of Oklahoma, according to the recorded Plat thereof.**