RESOLUTION NO. 6699

A RESOLUTION APPROVING EXECUTION OF SUBORDINATION AGREEMENT FOR REFINANCING OF SENIOR INDEBTEDNESS AND CONSENT TO REFINANCING - IH LANDLORD, LLC PROJECT

WHEREAS, the Tulsa Development Authority (TDA), in carrying out its authorized programs, has previously agreed to advance loan funds represented by a promissory note from IH LANDLORD, LLC (Borrower) in the principal amount of Seven Hundred Thousand Dollars ($700,000.00) secured by a mortgage dated February 11, 2016, recorded in the office of the Tulsa County Clerk as document #2016068989 on July 25, 2016; and,

WHEREAS, TDA and Borrower have previously executed Redevelopment Agreement (“Agreement”) effective as of August 20, 2015, in which the TDA agreed to subordinate TDA’s mortgage lien to the mortgage lien of a Senior Lender of Borrower in an amount not to exceed Six Million Three Hundred Forty-Nine Thousand Five Hundred Dollars ($6,349,500.00), the amount of the original first mortgage lien; and,

WHEREAS, the Agreement further provides: 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 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 not re-finance the first mortgage, if any, without payment in full of the indebtedness owed to TDA. Any such action by the Developer, without the consent of TDA.

WHEREAS, Borrower has obtained the agreement of First Oklahoma Bank, to re-finance Borrower’s first mortgage lien indebtedness in the total amount of Six Million Four Hundred Seventy-Nine Thousand Five Hundred Dollars ($6,479,500.00.00), representing the original principal balance of the mortgage to the Senior Lender plus an additional One Hundred Thirty Thousand Dollars ($130,000.00) and desires to re-finance such loan indebtedness and execute a mortgage creating a first lien in favor of the Senior Lender; and,

WHEREAS, Borrower has therefore requested that TDA consent to the refinancing of the first mortgage lien, amend the existing Redevelopment Agreement, Promissory Note and Mortgage executed by Borrower in favor of TDA and that TDA agree to execute a Subordination Agreement in favor of First Oklahoma Bank to enable Borrower to complete the refinancing of the first mortgage lien; and,

WHEREAS, the Board of Commissioners of the Tulsa Development Authority, based upon the recommendations of its General Counsel and the additional information presented to the Commissioners by the representative of the Borrower, believes that it would be in the best interest of the TDA, the City of Tulsa and the general public to consent to Borrower’s refinancing of the first mortgage lien, amend the existing Redevelopment Agreement, Promissory Note and Mortgage executed by Borrower in favor of TDA and that TDA agree to execute a Subordination Agreement in favor of First Oklahoma Bank to enable Borrower to complete the refinancing of the first mortgage lien and take such other action as may be reasonably necessary to satisfy said financing requirements of the Borrower SUBJECT TO THE FOLLOWING REQUIREMENTS AND CONDITIONS:

1. That the proceeds, including the additional $130,000.00, received by or on
behalf of Borrower from the refinancing of the first mortgage lien in excess of the existing principal balance of the existing first mortgage lien shall be utilized solely to make payment on the outstanding indebtedness of Borrower to TDA.

2. The total amount of Borrower’s refinanced first mortgage with First Oklahoma Bank shall not exceed Six Million Four Hundred Seventy-Nine Thousand Five Hundred Dollars ($6,479,500.00).

3. That the Subordination Agreement from TDA to First Oklahoma Bank be in a form acceptable to TDA.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE TULSA DEVELOPMENT AUTHORITY, to-wit:

Section 1. That the Board of Commissioners of the Tulsa Development Authority does hereby approve and consent to Borrower’s refinancing of the first mortgage lien, amend the existing Redevelopment Agreement, Promissory Note and Mortgage executed by Borrower in favor of TDA and that TDA agree to execute a Subordination Agreement in favor of First Oklahoma Bank to enable Borrower to complete the refinancing of the first mortgage lien and take such other action as may be reasonably necessary to satisfy said financing requirements of the Borrower SUBJECT TO THE FOLLOWING REQUIREMENTS AND CONDITIONS:

1. That the proceeds, including the additional $130,000.00, received by or on behalf of Borrower from the refinancing of the first mortgage lien in excess of the existing principal balance of the existing first mortgage lien shall be utilized solely to make payment on the outstanding indebtedness of Borrower to TDA.

2. The total amount of Borrower’s refinanced first mortgage with First Oklahoma Bank shall not exceed Six Million Four Hundred Seventy-Nine Thousand Five Hundred Dollars ($6,479,500.00).

3. That the Subordination Agreement from TDA to First Oklahoma Bank be in a form acceptable to TDA.

Section 2. This Resolution shall take effect immediately.

PASSED and ADOPTED this 4th day of June 2020.

TULSA DEVELOPMENT AUTHORITY

By: Nancy Lynn Roberts, Chairwoman

Approved as to legal form and adequacy:

Jot Hartley, General Counsel
The Hartley Law Firm, PLLC