TULSA DEVELOPMENT AUTHORITY
STAFF REPORT

MEETING DATE: July 9, 2020
TO: Chairman and Board Members
FROM: Office of Tulsa Development Authority
SUBJECT: Promissory Note with Chester R. Perry for property located in the Ogan's Circle Area, Tulsa Oklahoma

LOCATION: 2017 N. Kenosha Court
Tulsa, Oklahoma 74106-2442

Background: Owner: Chester R. Perry
1st Mortgage: Quiken Loans
Loan Amount: $199,639.00

2nd Mortgage: Tulsa Development Authority
Loan Amount: $4,000.00
Interest Rate: 2.625
Executive Director: Nancy Lynn Roberts

Relevant Info: On October I, 2017 TDA developer, Capital Homes Residential Group, LLC provided a 2nd Mortgage in the amount of $4,000.00 to Chester R. Perry. A 1st Mortgage to the Real Estate Mortgage was given in favor of FIRST UNITED BANK AND TRUST COMPANY, ISAOA, to secure the loan amount of $202,693.00. This 1st lien Mortgage is being transferred to Quicken Loans.

This is a request for TDA Board of Commissioners to sign a Subordination Agreement that allows Quicken Loans to refinance the 1st Mortgage of the principal amount of $199,639.00 at a lower interest rate of 2.625. TDA will remain in second position.

Attachments: Subordination Agreement
Mortgage Approval Notice

Recommendations: Staff recommends this request be reviewed by TDA Legal Counsel before a decision is made.

Reviewed By: Nancy Lynn Roberts
PROMISSORY NOTE

$4,000.00

Tulsa, Oklahoma
Dated October 1, 2017

FOR VALUE RECEIVED, CHESTER PERRY ("Promisor", whether one or more) promise to pay in cash or cash equivalent to TULSA DEVELOPMENT AUTHORITY, a public body corporate, (hereinafter referred to as "TDA" or "Promissee") having its office at 1216 N. Lansing Avenue, Suite D, in the City of Tulsa, State of Oklahoma, 74106, the sum of Four Thousand Dollars ($4,000.00) without interest prior to any default and thereafter with interest upon the outstanding principal balance at the rate of six percent (6.0%) per annum, simple interest. Principal and/or interest payments shall be due and payable as follows:

The principal balance of this Promissory Note shall mature and become payable in full to Promissee on the date which is seven years from the date of this Promissory Note.

The residence located upon the subject property described in the Second Mortgage securing this Promissory Note shall be Owner-Occupied for a minimum of five (5) years by the Promisor. The principal and/or accrued interest hereunder shall become immediately due and payable to the TDA if the Promisor vacates, abandons, sells, rents, re-finances or otherwise conveys the Property, OR, if the Promisor defaults upon the terms of any first or second mortgage secured by the subject property. It is understood that this loan is not a gift.

If any of the Covenants of Promisor contained in the Second Real Estate Mortgage of even date herewith are violated or breached then, in such event, Promisor shall immediately pay the entire principal amount owed, plus all accrued interest, to the Promissee.

Promisor agrees that, in the event interest or principal shall not be paid when due, or default shall occur in the performance of any of the covenants or warranties made by Promisor to Promissee, the entire unpaid principal of this note, together with all accrued interest thereon, shall, at the option of Promissee, become immediately due and payable.

If this note is referred to any attorney for collection, Promisor agrees to pay Promissee all costs of collection, including a reasonable attorney's fee, whether or not a lawsuit is filed.

It is agreed that the granting to Promisor of an extension or extensions of time for payment of any sums due hereunder, or the taking or release of any security for the obligations of Promisor, shall in no way release or affect the liability of the Promisor.

Promisor expressly waives demand, presentment of payment, protest and notice of protest and of non-payment hereof as well as notice of acceptance hereof.

This note may be assigned without the written consent of the Promisor, but notice in writing of said assignment must be given to Promisor by Promissee within ten (10) days. In the event that
this note is paid in full by a third party other than the Promisor, then the Promisee shall have the express authority to assign this Note and any Mortgage securing same to the person or entity actually paying this Note in full. The Assignee who made the payment on behalf of the Promisor shall then have all the rights and interests of the Promisee under the terms hereunder.

IN WITNESS WHEREOF, Promisor, Chester Perry, has executed this Promissory Note as of the 1st day of October, 2017.

"PROMISOR"

By

Chester Perry

ACKNOWLEDGEMENT

STATE OF OKLAHOMA  )
COUNTY OF TULSA    ) SS.

This instrument was acknowledged before me this 1st day of October, 2017, by Chester Perry, Promisor, living at 2017 North Kenosha Court East, Tulsa, Oklahoma 74106.

My Commission Number:

My Commission Expires: April 23, 2018

Notary Seal
Return to: Tulsa Development Authority, 1216 N. Lansing Avenue, Suite D, Tulsa, OK 74106

SECOND REAL ESTATE MORTGAGE

KNOW ALL PERSONS BY THESE PRESENTS:

That CHESTER PERRY, in Tulsa County, Oklahoma (hereinafter referred to as "Mortgagor", whether one or more persons), has mortgaged and hereby mortgages to TULSA DEVELOPMENT AUTHORITY, a public body corporate, (hereinafter referred to as "TDA" or "Mortgagee") having its office at 1216 N. Lansing Avenue, Suite D, in the City of Tulsa, State of Oklahoma, 74106, the real estate and premises situated in Tulsa County, State of Oklahoma, more particularly described as:

LOT ELEVEN (11), BLOCK ONE (1), OGAN’S CIRCLE RESUB L1-7 B2 CARTER ADDITION LESS E20, TULSA, TULSA COUNTY, STATE OF OKLAHOMA ACCORDING TO THE RECORDED PLAT THEREOF (also known as 2017 North Kenosha Court East, Tulsa, Oklahoma 74106);

together with all improvements thereon and appurtenances thereto belonging, hereinafter referred to as the "Mortgaged Property," and warrants the title to the same, subject only to a first mortgage lien in the amount of $202,693.00.

THIS MORTGAGE is given to secure the principal amount of ($4,000.00) Four Thousand Dollars and no/100’s evidenced by that certain Promissory Note of Mortgagor of even date, maturing on the date which is seven years from the date of this Mortgage (the Note).

This Mortgage is given subject to, and is inferior to, that certain Real Estate Mortgage in favor of FIRST UNITED BANK AND TRUST COMPANY, ISAQA, dated September 28, 2017. Securing the loan amount sum of $202,693.00.

Mortgagor covenants and agrees (a) to pay all taxes and assessments of the Mortgaged Property when the same shall become due, (b) to keep all improvements in good repair and not to commit or allow waste to be committed on the Mortgaged Property, (c) to insure and keep insured in favor of Mortgagee all buildings and improvements on the Mortgaged Property. (d) to actively occupy the Mortgaged Property as the Mortgagor’s principal residence for the entire period of five years and one day from the date of the Note, and (e) to prevent the foreclosure of any prior mortgage or lien.

Mortgagor further covenants and agrees that the residence located upon the subject property described above shall be Owner-Occupied for a minimum of five (5) years by the Mortgagor. Mortgagor covenants and agrees that an event of default shall occur and the principal and/or accrued interest hereunder shall become immediately due and payable to the TDA if the Mortgagor vacates, abandons, sells, rents, re-finances or otherwise conveys the Property, OR if
the Mortgagor defaults upon the terms of the first mortgage secured by the subject property.

It is further expressly agreed, by and between the parties hereto, that if Mortgagor shall default in the payment of the principal sum of the Note, or if any other default specified in the Note shall occur, or if Mortgagor shall fail to pay the taxes and insurance premiums required to be paid under this Mortgage or to comply with any other covenant contained herein or in the Note, the entire principal balance of the Note shall be due and payable, and this Mortgage may be foreclosed and Mortgagee shall be entitled to the immediate possession of the Mortgaged Property and all rents and profits thereof.

Mortgagor hereby agrees that in the event any action is brought to foreclose this Mortgage, Mortgagor will pay the reasonable attorney’s fees of Mortgagee, which this Mortgage also secures.

Appraisement of the Mortgaged Property is hereby waived or not waived by Mortgagee, such option to be exercised at or prior to the entry of judgment in any foreclosure action. Mortgagor waives all benefits of the homestead, exemption and stay laws in Oklahoma.

This Mortgage and the Note it secures are both subject to assignment by the holder of the Mortgage without the consent of the Mortgagor.

Dated this 5th day of October 2017.

Borrower, Chester Perry

STATE OF OKLAHOMA )
COUNTY OF TULSA ) ss.

This instrument was acknowledged before me, a notary public, in and for said County and State, on this 5th day of October, 2017, by Chester Perry, a single person

Notary Public

My commission expires:

My commission number:

Notary Seal