

AGENDA
REGULAR MEETING OF
OKLAHOMA CITY URBAN RENEWAL AUTHORITY
WEDNESDAY, APRIL 19, 2017
CONFERENCE ROOM
431 WEST MAIN, SUITE B
10:30 A.M.

1. Call to Order
2. Statement of Compliance with the Oklahoma Open Meeting Law
3. Roll Call
4. Reading and Approval of Minutes of a Regular Meeting held on Wednesday, February 15,

AFFORDABLE HOUSING PROGRAM

5. Resolution No. _____ Approving Schematic Design Plans, Evidence of Financing, and Subordination Agreement, and Authorizing the Executive Director to Approve Design Development Documents and Construction Documents Submitted by Midtown Builders, LLC for an Affordable Housing Development Using Community Development Block Grant Funds

CORE TO SHORE

6. Resolution No. _____ Authorizing the Acquisition of Real Property (Lower Park Buffer, all of Block 8, South Park Addition) by Negotiation or by Exercise of Eminent Domain, if Necessary, Core to Shore Urban Renewal Plan
7. Resolution No. _____ Approving Real Estate Acquisition Agreements with the City of Oklahoma City, Core to Shore Urban Renewal Plan

JFK PROJECT AREA

8. Resolution No. _____ Conditionally Designating a Redeveloper for Lots Eight (8), Nine (9), Ten (10), And Eleven (11) in Wallace Subdivision of Lot 16 Ross Heights Addition, Located Generally on the Southeast Corner of the Intersection of Northeast 23rd Street and North Kelham Avenue, John F. Kennedy Urban Renewal Plan

GENERAL MATTERS

9. Presentation of Interim Financial Report for the Period Ending February 28, 2017
10. Staff Report
11. Citizens to be heard
12. Adjournment

POSTED at the offices of the City Clerk, Oklahoma City Urban Renewal Authority and at 431 West Main, Suite B by 10:30 a.m. on Tuesday, April 18, 2017 by Pam Lunnon, Executive Assistant

MINUTES OF REGULAR MEETING
OF THE
OKLAHOMA CITY URBAN RENEWAL AUTHORITY

A Regular Meeting of the Board of Commissioners of the Oklahoma City Urban Renewal Authority (“Authority”) was held on Wednesday, February 15, 2017 at 10:30 a.m. in the conference room located at 431 West Main; Suite B; Oklahoma City, Oklahoma 73102.

The Chairman called the meeting to order and stated that the meeting was being held in compliance with the Oklahoma Open Meeting Law. Upon roll call the following members were present:

Mr. J. Larry Nichols
Mr. James R. Tolbert
Mr. Mark Beffort
Mr. Russell Perry

Commissioners Absent:

Ms. Mary Mélon

Staff Members Present:

Catherine O’Connor, Executive Director
Dan Batchelor, OCURA General Counsel, CEDL
Leslie Batchelor, OCURA Associate General Counsel, CEDL
Emily Pomeroy, CEDL
Cassi Poor, The Alliance for Economic Development of Oklahoma City
Pam Lunnon, The Alliance for Economic Development of Oklahoma City
Geri Kenfield-Harlan, The Alliance for Economic Development of Oklahoma City
Nicolle Goodman, The Alliance for Economic Development of Oklahoma City
Michael Owens, The Alliance for Economic Development of Oklahoma City
Cynthia McCollum, The Alliance for Economic Development of Oklahoma City

Others Present:

Robert Williams, Stan Tech
Alicia Hughes, Urban Game Changers

The Chairman requested a motion to approve the circulated minutes of the Regular Board Meeting of the Oklahoma City Urban Renewal Authority held on Wednesday, January 18, 2017.

Commissioner Perry moved the adoption of the minutes, and upon second by Commissioner Beffort, the vote was as follows:

OCURA Board of Commissioners, Wednesday, February 15, 2017

Mr. J. Larry Nichols	Aye
Ms. Mary Mélon	Absent
Mr. Russell M. Perry	Aye
Mr. James R. Tolbert, III	Aye
Mr. Mark Beffort	Aye

Minutes Adopted

The Chairman introduced the following resolutions:

JFK PROJECT AREA

Resolution No. 5783 entitled:

“Approving the Disposition of Lots Seven and Eight, Block Eight, Hassman Heights Addition to B G & D Enterprises, L.L.C., John F. Kennedy Urban Renewal Plan”

Commissioner Beffort moved the adoption of the resolution, and upon second by Commissioner Perry, the vote was as follows:

Mr. J. Larry Nichols	Aye
Ms. Mary Mélon	Absent
Mr. Russell M. Perry	Aye
Mr. James R. Tolbert, III	Aye
Mr. Mark Beffort	Aye

Resolution Adopted

Resolution No. 5784 entitled:

“Approving a Redevelopment Agreement with Rebuilding and Managing LLC for the Relocation and Reconstruction of an existing Single-Family Residence onto Lots 28 and 29, Coulter’s Addition, John F. Kennedy Urban Renewal Plan

Commissioner Beffort moved the adoption of the resolution, and upon second by Commissioner Tolbert, the vote was as follows:

Mr. J. Larry Nichols	Aye
Ms. Mary Mélon	Absent
Mr. Russell M. Perry	Aye
Mr. James R. Tolbert, III	Aye
Mr. Mark Beffort	Aye

Resolution Adopted

OCURA Board of Commissioners, Wednesday, February 15, 2017

CORE TO SHORE

Resolution No. 5785 entitled:

“Resolution Approving Schematic Design Studies and Design Development Documents Submitted by OKCDT Enterprise, LLC, Authorizing the Executive Director to Approve Construction Documents, Landscaping Plans, and Evidence of Financing Submitted by OKCDT Enterprise, LLC, Ratifying Executive Director’s Approval of Real Estate Acquisition Agreement with The City Of Oklahoma City to Implement the Redevelopment Agreement with OKCDT Enterprise, LLC, and Approving First Amendment to Redevelopment Agreement with OKCDT Enterprise, LLC, Core To Shore Urban Renewal Plan”

Commissioner Perry moved the adoption of the resolution, and upon second by Commissioner Beffort, the vote was as follows:

Mr. J. Larry Nichols	Aye
Ms. Mary Mélon	Absent
Mr. Russell M. Perry	Aye
Mr. James R. Tolbert, III	Aye
Mr. Mark Beffort	Aye

Resolution Adopted

NE RENAISSANCE AREA

Resolution No. 5786 entitled:

“Authorizing the Acquisition of Real Property Located at 2501 North Martin Luther King Avenue by Negotiation or by Exercise of Eminent Domain, if Necessary, Northeast Renaissance Urban Renewal Plan”

Commissioner Perry moved the adoption of the resolution, and upon second by Commissioner Tolbert, the vote was as follows:

Mr. J. Larry Nichols	Aye
Ms. Mary Mélon	Absent
Mr. Russell M. Perry	Aye
Mr. James R. Tolbert, III	Aye
Mr. Mark Beffort	Aye

Resolution Adopted

OCURA Board of Commissioners, Wednesday, February 15, 2017

GENERAL MATTERS

Financial Report

Ms. Kenfield-Harlan presented the financial reports through December 31, 2016.

Commissioner Beffort moved to receive the financials, and upon second by Commissioner Tolbert, the vote was as follows:

Mr. J. Larry Nichols	Aye
Ms. Mary Mélon	Absent
Mr. Russell M. Perry	Aye
Mr. James R. Tolbert, III	Aye
Mr. Mark Beffort	Aye

Financials Received

Staff Report

Ms. O'Connor reported we are still continuing to do land acquisitions for the City of OKC on the MAPS 3 Park. There are a couple of parcels in the convention center area that are going through the condemnation process. OCURA also is acquiring property for the convention center hotel as well as in the NE Renaissance area. The Authority did receive word from the Oklahoma Department of Transportation that they would agree to sell OCURA the old I-40 ramp which is the majority of the hotel site. This project is moving forward. ProgressOKC Fund raising efforts through grants, foundations, individuals and a loan from Oklahoma Industries Authority for the Page Woodson School renovations is going well.

Tour Tour of Civic Center Flats, 627 Couch Drive, Oklahoma City, OK 73102 (Intersection of Couch Dr. and N. Lee Ave.). NO BUSINESS WILL BE CONDUCTED DURING THE TOUR.

There being no further business to come before the Board, the meeting was adjourned at 11:22 a.m.

Secretary

OCURA Board of Commissioners, Wednesday, February 15, 2017

OKLAHOMA CITY

URBAN
RENEWAL
AUTHORITY

To: Board of Commissioners
From: Catherine O'Connor, Executive Director
Date: April 19, 2017
Ref: Resolution Approving Schematic Design Plans, Evidence of Financing, and Subordination Agreement, and Authorizing the Executive Director to Approve Design Development Documents and Construction Documents Submitted by Midtown Builders, LLC for an Affordable Housing Development Using Community Development Block Grant Funds

Background: Midtown Builders, LLC previously submitted a proposal for affordable housing in the Mesta Park Neighborhood. The Board previously approved a Contract for Redevelopment between the Redeveloper and OCURA dated November 28, 2014 and the First Amendment to Contract for Redevelopment dated September 17, 2015. Under the agreement, the Redeveloper will renovate and conserve the historic structure at 620 N.W. 21st Street (formerly the location of Sunbeam Family Services), to create approximately thirteen apartments, of which seven will be required to be rented to low- and moderate-income households, as defined by federal regulations.

Pursuant to the Redevelopment Agreement, the Redeveloper is required to submit plans and evidence of financing capacity for the construction of the Redevelopment Project. The Redeveloper received assistance in development financing in the form of a CDBG loan in the amount of \$400,000. The CDBG Loan is secured by a Promissory Note and Mortgage, and pursuant to the Redevelopment Agreement, OCURA agreed that the CDBG Mortgage may be subordinate to the lien of a primary lender.

The Redeveloper has submitted evidence of financing in the form of a Business Loan Agreement, a Promissory Note, an Agreement to Provide Insurance, Assignment of Rents, Disbursement Request and Authorization, a Mortgage ("Senior Mortgage"), an Assignment of Life Insurance Policy as Collateral, a Commercial Guaranty, a Commercial Security Agreement, and Limited Liability Company Resolution to Borrow.

Legal counsel for Redeveloper, legal counsel for Quail Creek Bank, N. A., and legal counsel for OCURA have negotiated the terms of a Subordination Agreement in which Senior Mortgage will have priority over the CDBG Mortgage.

At this time, staff recommends the approval of schematic design plans and evidence of financing submitted by Redeveloper, as well as the Subordination Agreement between the Redeveloper, Quail Creek Bank and OCURA. In addition, in order to assist the Redeveloper in commencing

construction as soon as possible, staff recommends that the authorization of the Executive Director, with the assistance of Legal Counsel if necessary, to approve the Design Development Documents and Construction Documents for the Redevelopment Project to be submitted by the Redeveloper at a later date.

Purpose of Agenda Item:

1. Approve the Schematic Design Plans for the Redevelopment Project, subject to conditions and exceptions, if any, contained in the approval letter issued by the Executive Director.
2. Approve the evidence of financing
3. Approve the Subordination Agreement among Redeveloper, Quail Creek Bank, N. A., and OCURA
4. Authorize the Executive Director, with the assistance of Legal Counsel if necessary, to approve the Design Development Documents and Construction Documents submitted by the Redeveloper
5. Authorize the Executive Director, staff, and Legal Counsel to take all other actions as are necessary and appropriate to implement this resolution.

Recommendation: Approval of Resolution

Attachments: Resolution
Schematic Designs
Evidence of Financing
Subordination Agreement

RESOLUTION NO. _____

RESOLUTION APPROVING SCHEMATIC DESIGN PLANS, EVIDENCE OF FINANCING, AND SUBORDINATION AGREEMENT, AND AUTHORIZING THE EXECUTIVE DIRECTOR TO APPROVE DESIGN DEVELOPMENT DOCUMENTS AND CONSTRUCTION DOCUMENTS SUBMITTED BY MIDTOWN BUILDERS, LLC FOR AN AFFORDABLE HOUSING DEVELOPMENT USING COMMUNITY DEVELOPMENT BLOCK GRANT FUNDS

WHEREAS, the Consolidated Plan and the Annual Action Year Plan of the City of Oklahoma City (“City”) establish the priorities and programs for use of federal grant funds for community planning and development, including funds for the Community Development Block Grant (“CDBG”) Program; and

WHEREAS, the primary objective of the CDBG Program is the development of viable communities by the provision of decent housing and a suitable living environment and expanding economic opportunities, principally for persons of low- and moderate- income; and

WHEREAS, the primary objective to be achieved in the CDBG program is ensuring that each funded activity meets one of three national objectives: (1) Benefiting Low- and Moderate-Income Persons, (2) Preventing or Eliminating Slum or Blight, and (3) Meeting Urgent Needs; and

WHEREAS, the Oklahoma City Urban Renewal Authority (“Authority”) is a longstanding CDBG subrecipient of the City, which is responsible for carrying out the program objectives at the direction of the City; and

WHEREAS, under the City’s Consolidated Plan and Annual Action Year Plan, a priority for use of CDBG funding for housing is to reverse patterns of low-income concentration and gentrification by incentivizing mixed-income housing near the urban core; and

WHEREAS, the Authority, in coordination with the City has established a dedicated Urban Renewal Authority Affordable Housing Program and has solicited proposals to identify qualified redevelopers to provide affordable and mixed-income housing; and

WHEREAS, Midtown Builders, LLC (“Redeveloper”) previously submitted a proposal for affordable housing in the Mesta Park Neighborhood, which is near the urban core and adjacent to the City’s Neighborhood Revitalization Strategy Area; and

WHEREAS, the Board of Commissioners of the Authority has previously approved the Contract for Redevelopment between the Redeveloper and Authority dated November 28, 2014 and the First Amendment to Contract for Redevelopment dated September 17, 2015 (collectively, the “Redevelopment Agreement”), pursuant to which the Redeveloper will renovate and conserve the historic structure at 620 N.W. 21st Street (formerly the location of Sunbeam Family Services), to create approximately thirteen apartments, of which seven will be required to be rented to low- and moderate-income households, as defined by federal regulations (the “Redevelopment Project”); and

WHEREAS, pursuant to the Redevelopment Agreement, the Redeveloper is required to submit plans and evidence of financing capacity for the construction of the Redevelopment Project; and

WHEREAS, the Redeveloper received assistance in development financing from the Authority in the amount of \$400,000 (“CDBG Loan”) in exchange for the promises and obligations of the Redeveloper to complete the Redevelopment Project, which Loan is to be repaid by Redeveloper on terms and conditions set forth in the Redevelopment Agreement; and

WHEREAS, the CDBG Loan to Redeveloper is secured by a Promissory Note and Mortgage with Power of Sale, Security Agreement, and Financing Statement (“CDBG Mortgage”); and

WHEREAS, pursuant to the Redevelopment Agreement, the Authority agreed the CDBG Mortgage may be subordinate to the lien of a primary lender, subject to review and approval by the Authority; and

WHEREAS, Redeveloper has submitted evidence of financing comprised of a Business Loan Agreement, a Promissory Note, an Agreement to Provide Insurance, Assignment of Rents, Disbursement Request and Authorization, a Mortgage (“Senior Mortgage”) , an Assignment of Life Insurance Policy as Collateral, a Commercial Guaranty, a Commercial Security Agreement, and Limited Liability Company Resolution to Borrow, all for execution by Redeveloper and/or Marva Ellard, for issuance by Quail Creek Bank, N. A. of a variable rate draw down line of credit loan in the amount of \$1,326,165.17 (“Senior Loan Documents”); and

WHEREAS, legal counsel for Redeveloper, legal counsel for Quail Creek Bank, N. A., and legal counsel for the Authority have negotiated the terms a Subordination Agreement pursuant to the Senior Mortgage will have priority over the CDBG Mortgage; however, as long as the Authority has not received notice of a default under the Senior Loan Documents, the Authority may accept regularly scheduled interest and principal payments from Redeveloper pursuant to the Redevelopment Agreement and other documents evidencing and securing the CDBG Loan; and

WHEREAS, the Board of Commissioners of the Oklahoma City Urban Renewal Authority deems it appropriate, desirable, and in the public interest to approve the schematic design plans and evidence of financing submitted by Redeveloper, and to approve the Subordination Agreement by and among Redeveloper, Quail Creek Bank, N. A., and the Authority; and

WHEREAS, in order to assist the Redeveloper in commencing construction as soon as possible, the Board of Commissioners of the Oklahoma City Urban Renewal Authority deems it appropriate and desirable to authorize the Executive Director, with the assistance of Legal Counsel, to approve the Design Development Documents and Construction Documents for the Redevelopment Project to be submitted by the Redeveloper.

NOW THEREFORE, BE IT RESOLVED by the Board of Commissioners of the Oklahoma City Urban Renewal Authority as follows:

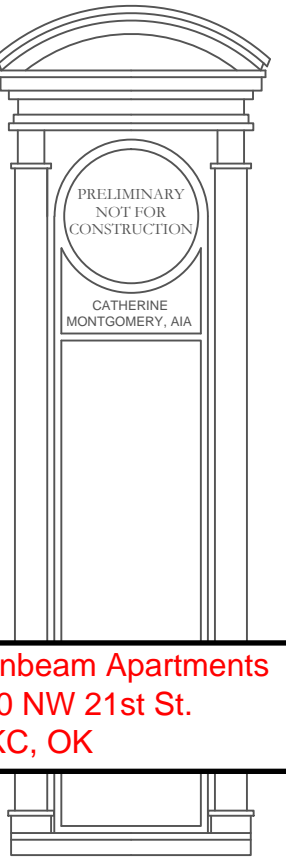
1. The Schematic Design Plans for the Redevelopment Project submitted by Redeveloper are hereby approved, subject to conditions and exceptions, if any, contained in the approval letter issued by the Executive Director of the Authority pursuant to this resolution.

2. The evidence of financing, comprised of a Business Loan Agreement, a Promissory Note, an Agreement to Provide Insurance, Assignment of Rents, Disbursement Request and Authorization, a Mortgage, an Assignment of Life Insurance Policy as Collateral, a Commercial Guaranty, a Commercial Security Agreement, and Limited Liability Company Resolution to Borrow, all for execution by Redeveloper and/or Marva Ellard, for issuance by Quail Creek Bank, N. A. of a variable rate draw down line of credit loan in the amount of \$1,326,165.17, is hereby approved.
3. The Subordination Agreement among Redeveloper, Quail Creek Bank, N. A., and the Authority is hereby approved.
4. The Executive Director, with the assistance of Legal Counsel, is hereby authorized to approve the Design Development Documents and Construction Documents submitted by the Redeveloper for the Redevelopment Project consistent with the Redevelopment Agreement, if she determines in her judgment that they are in accordance with the terms of the Redevelopment Agreement.
5. The Authority's Executive Director, staff, and Legal Counsel are authorized to take all other actions as are necessary and appropriate to implement this resolution.

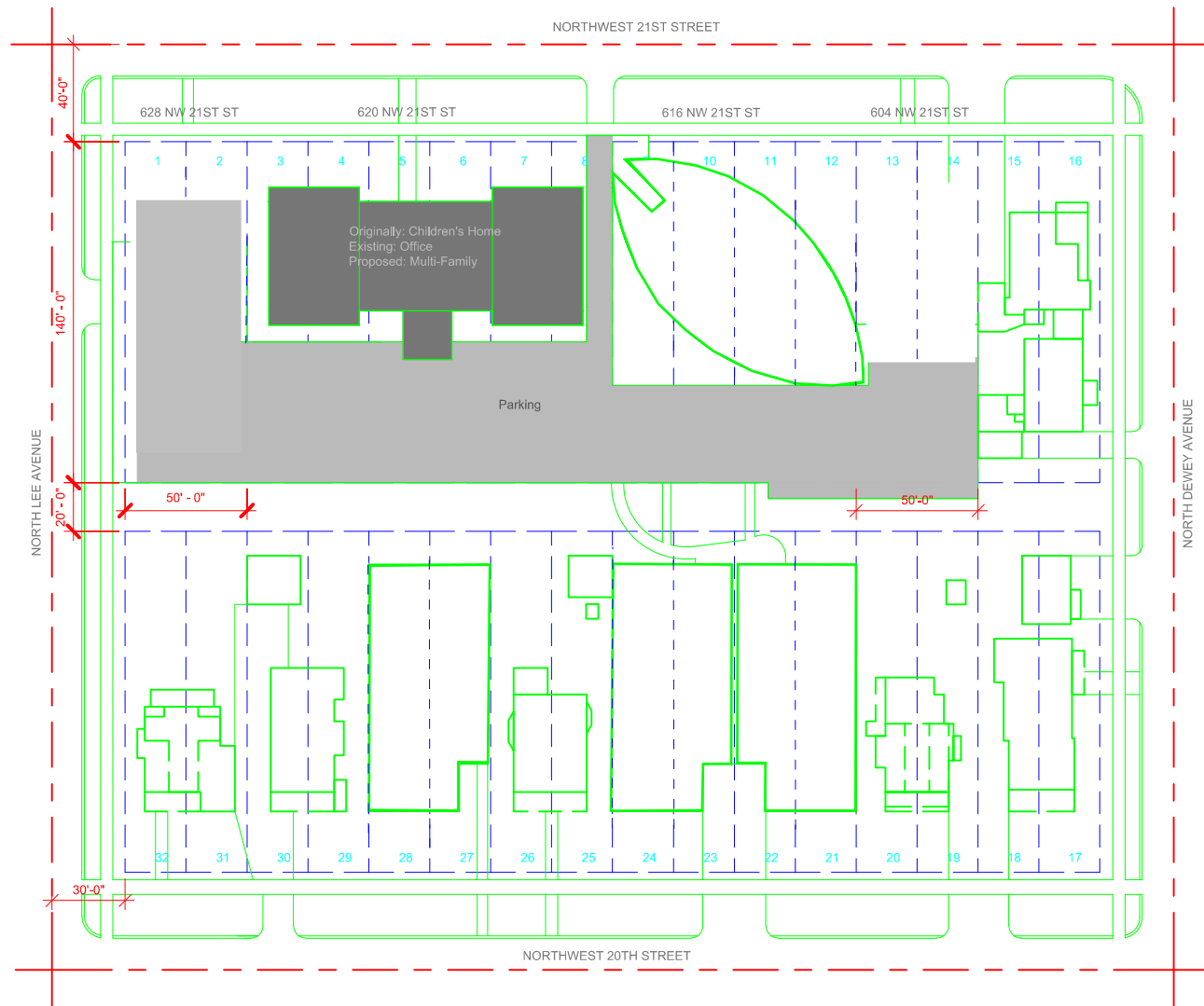
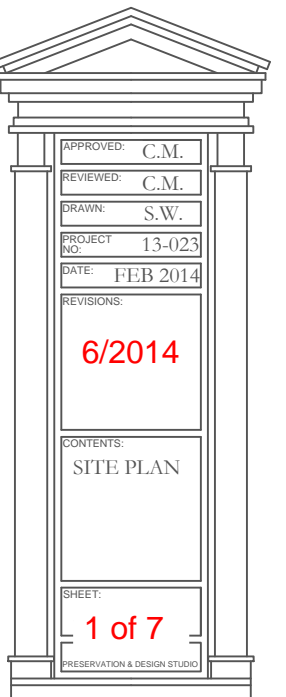
I, _____, Secretary of the Board of Commissioners of the Oklahoma City Urban Renewal Authority, certify that the foregoing Resolution No. _____ was duly adopted at a **regular** meeting of the Board of Commissioners of the Oklahoma City Urban Renewal Authority, held at the Arts District Garage Conference Room, 431 West Main Street, Suite B, Oklahoma City, Oklahoma 73102, on the **19th day of April, 2017**; that said meeting was held in accordance with the By-Laws of the Authority and the Oklahoma Open Meetings Act; that any notice required to be given of such meeting was properly given; that a quorum was present at all times during said meeting; and that the Resolution was duly adopted by a majority of the Commissioners present.

SECRETARY

(SEAL)



Sunbeam Apartments
620 NW 21st St.
OKC, OK



2 PROPOSED SITE PLAN
NTS



1 EXISTING AERIAL SITE PHOTO
NTS



West Side Elevation



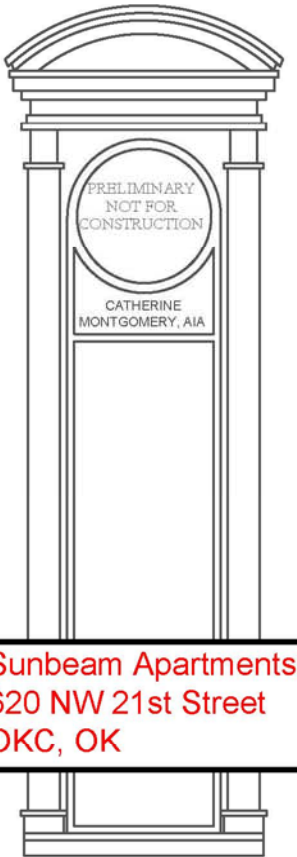
North Elevation (Front)



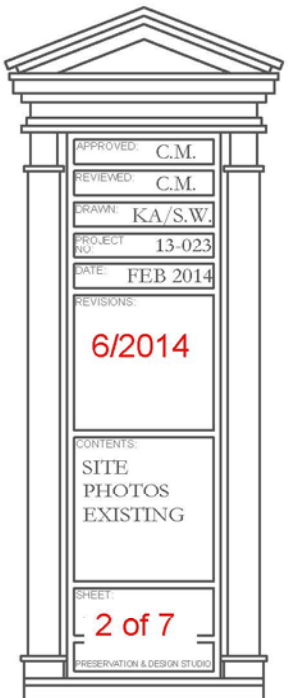
South Elevation (Back)

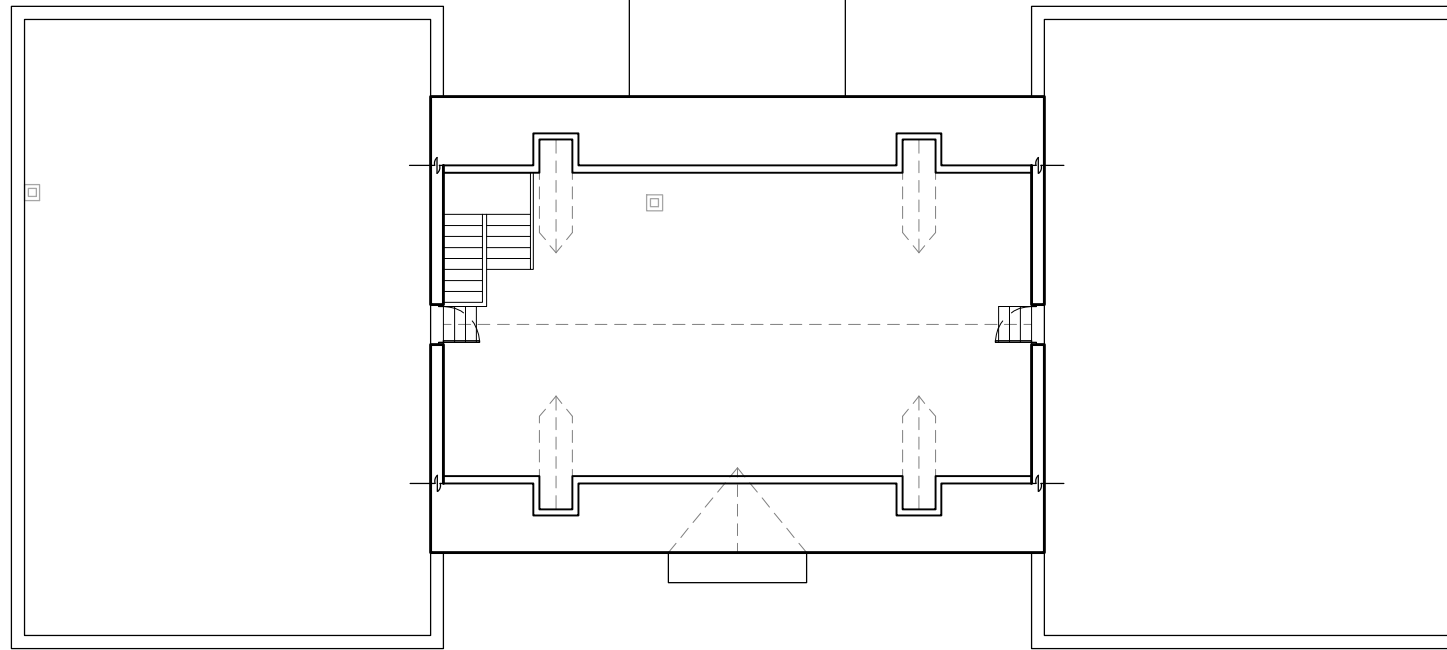


East Side Elevation

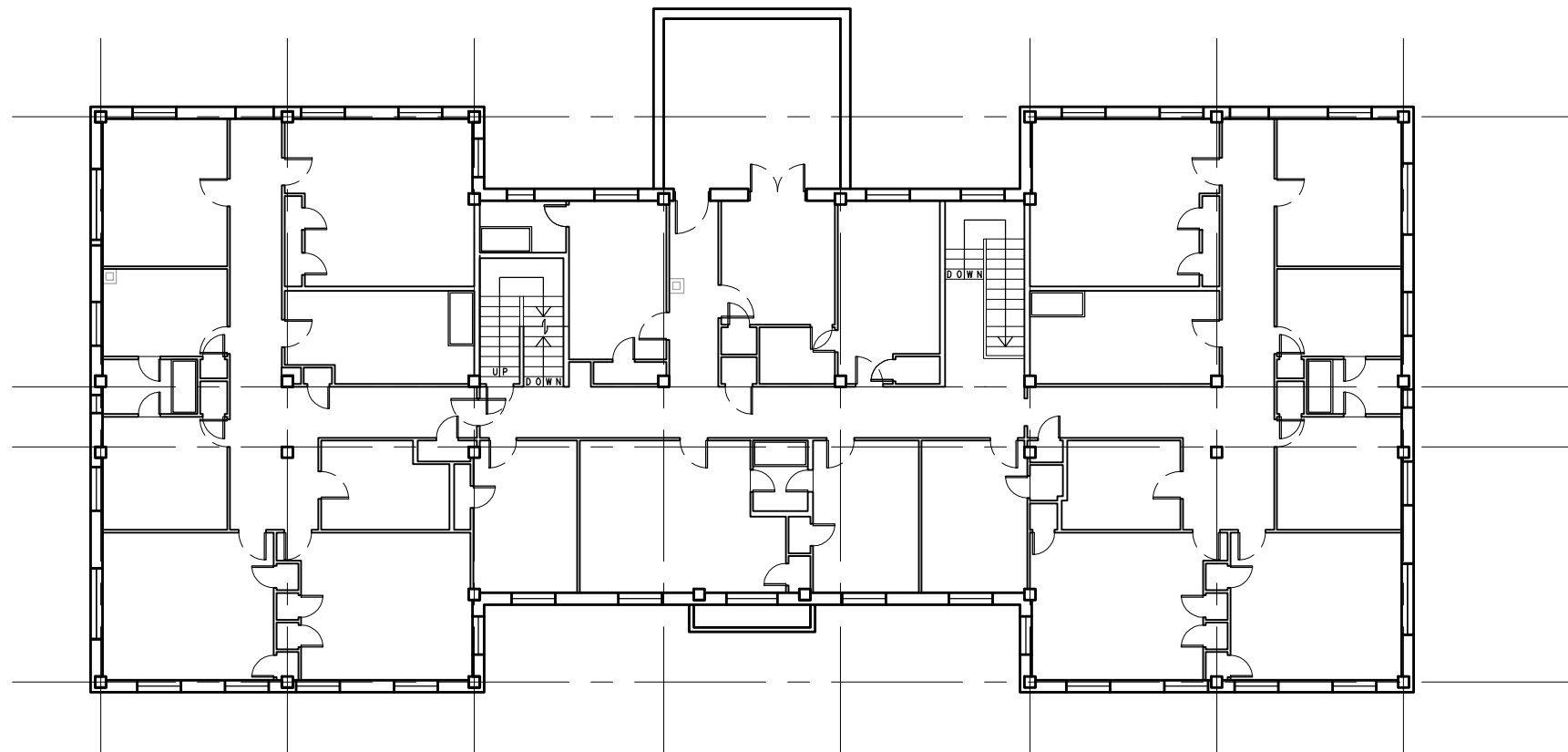


Sunbeam Apartments
620 NW 21st Street
OKC, OK

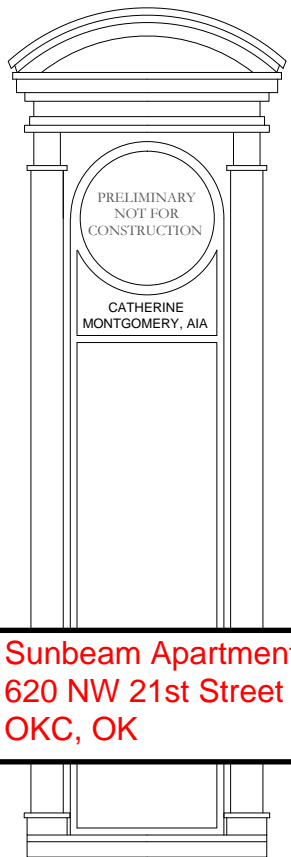




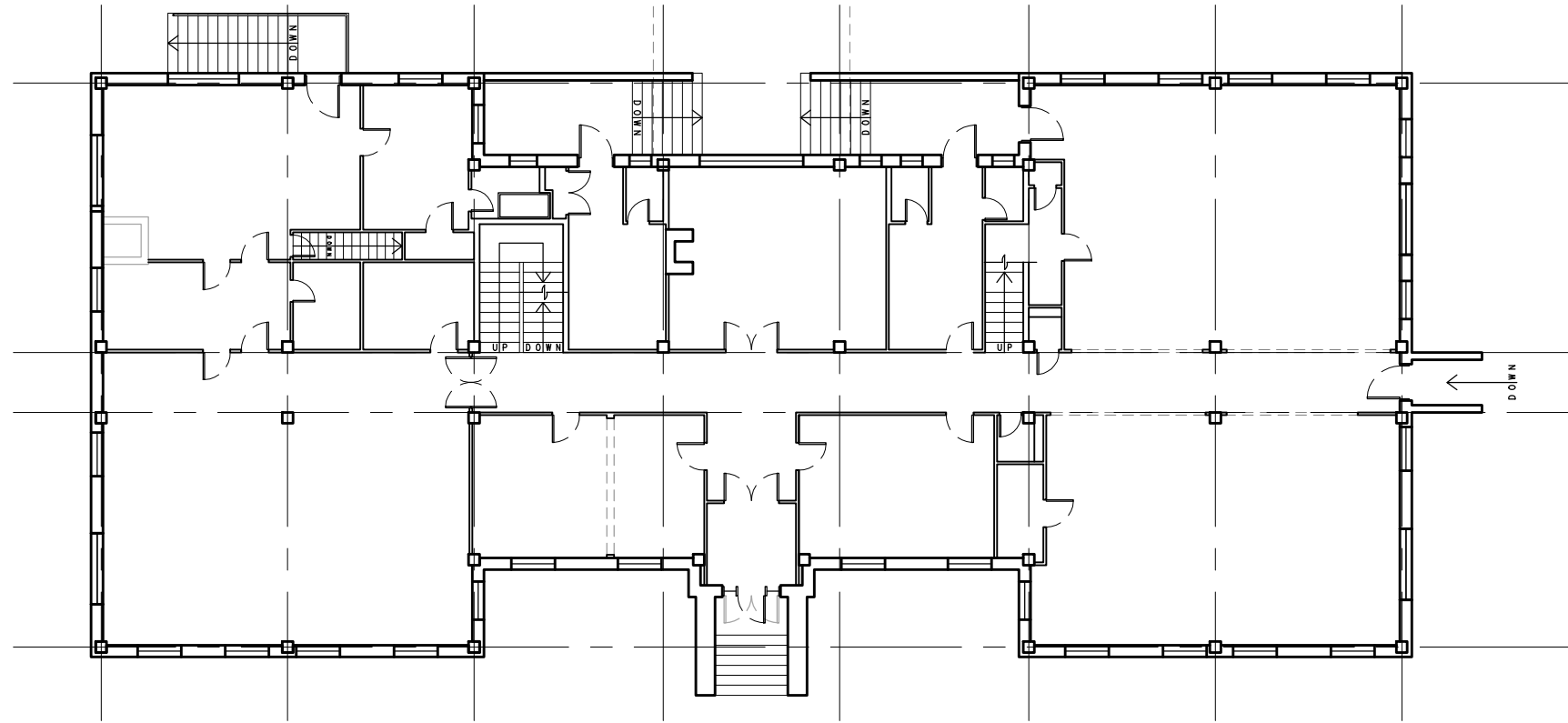
4 ATTIC FLOOR PLAN
SCALE 1/8" = 1'-0"



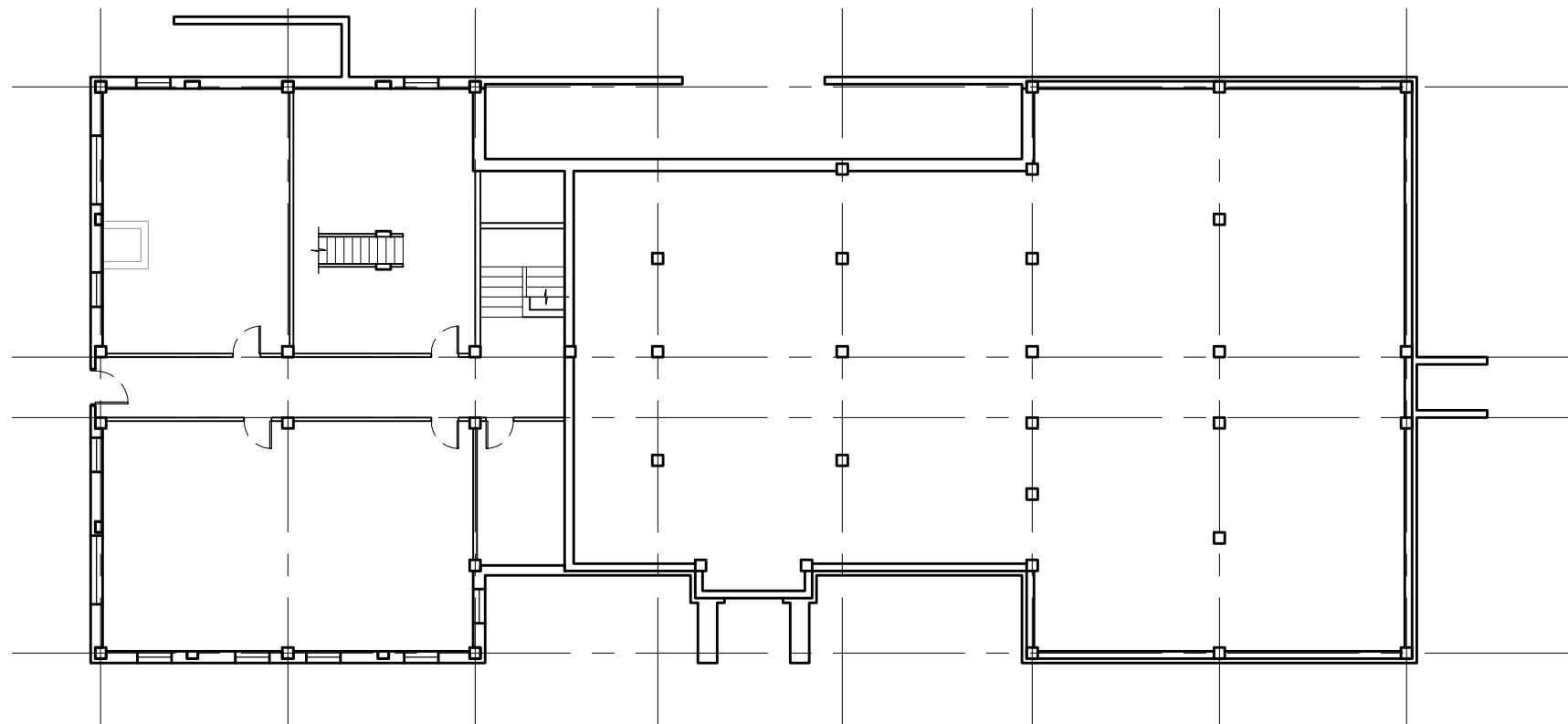
3 SECOND FLOOR PLAN
SCALE 1/8" = 1'-0"



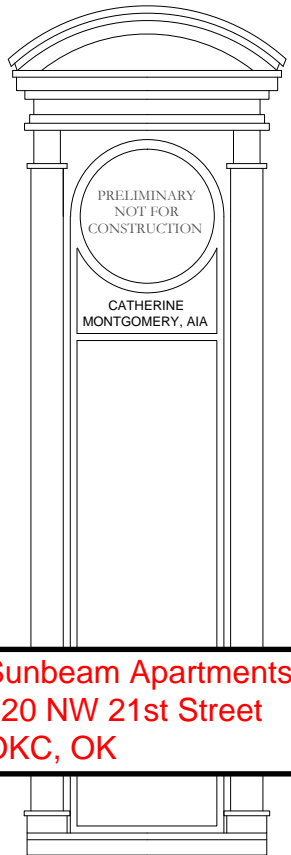
APPROVED:	CM
REVIEWED:	CM
DRAWN:	KA
PROJECT NO.:	14-023.5
DATE:	FEB 2014
REVISIONS:	
	6/2014
CONTENTS:	EXISTING 2ND FLOOR AND ATTIC PLANS
SHEET:	
	3 of 7
	(PRESERVATION & DESIGN STUDIO)



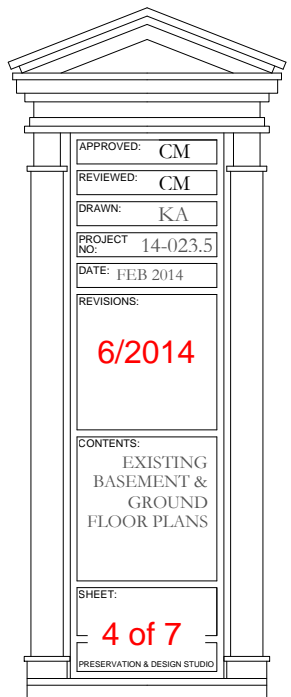
2 GROUND FLOOR PLAN
SCALE 1/8" = 1'-0"

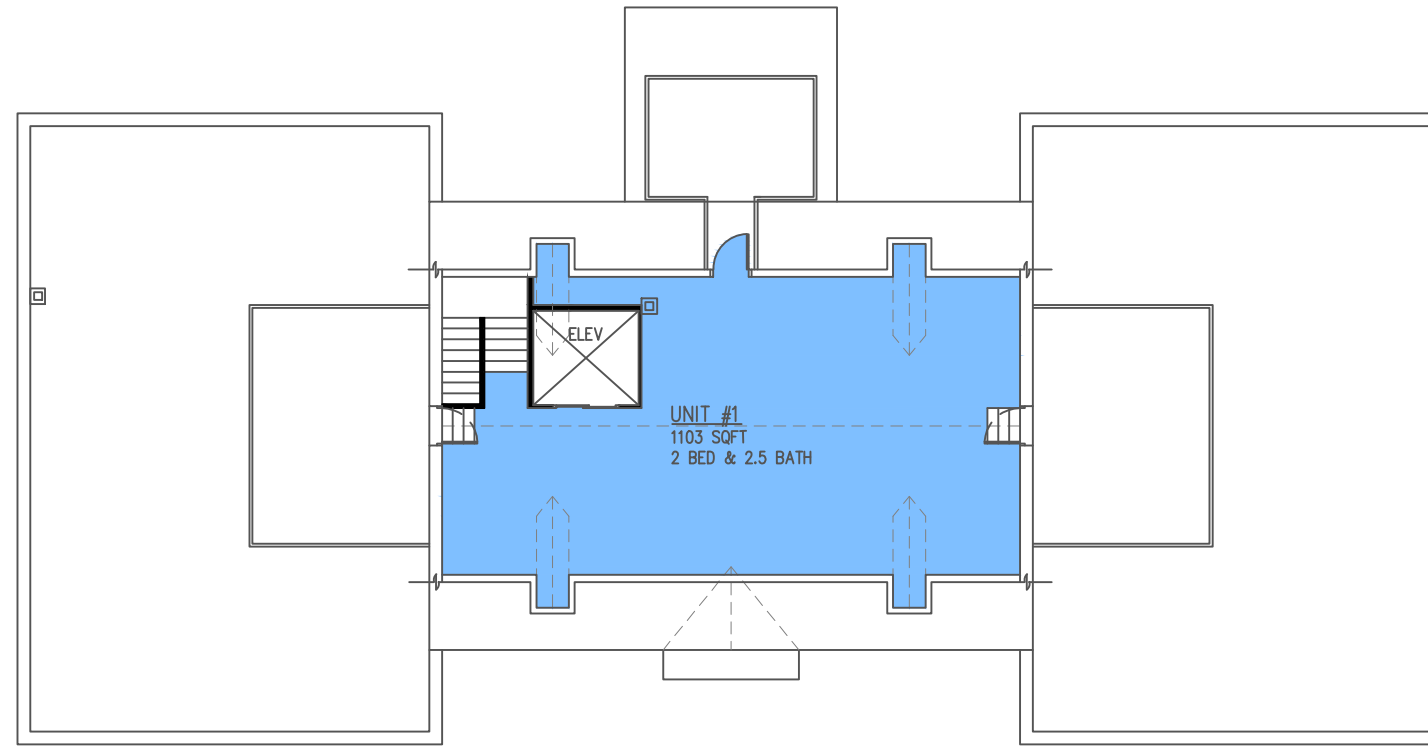


1 BASEMENT FLOOR PLAN
SCALE 1/8" = 1'-0"

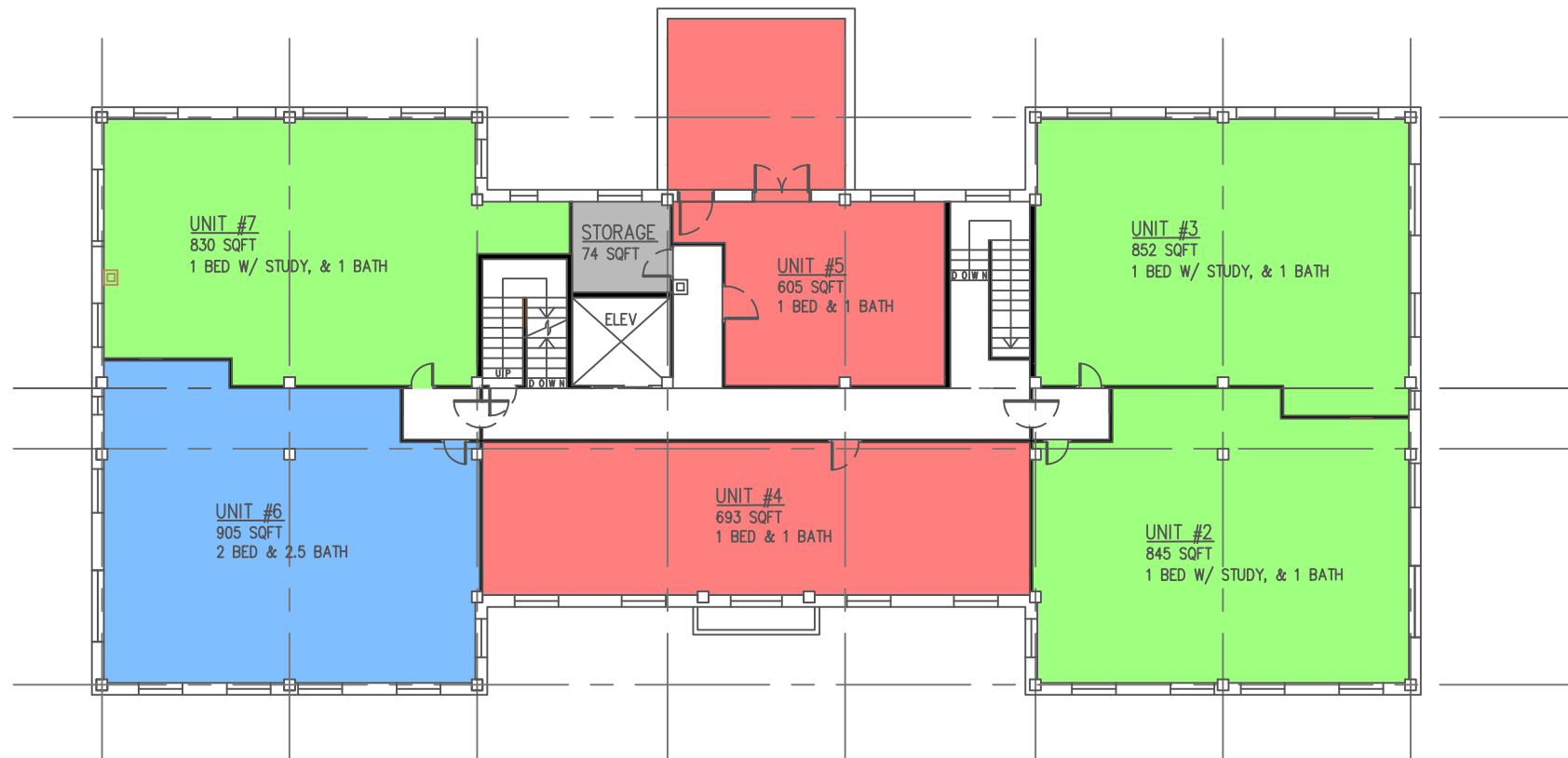


Sunbeam Apartments
620 NW 21st Street
OKC, OK

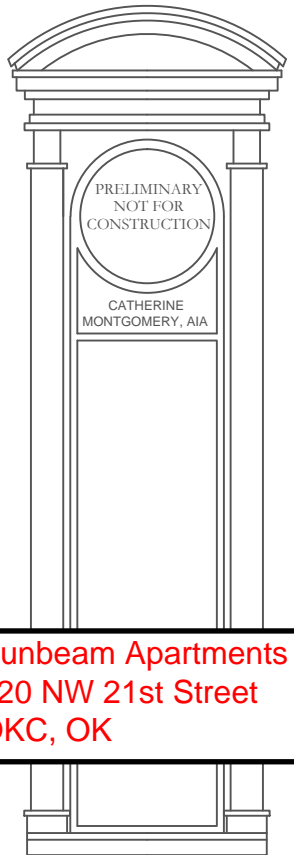




4 ATTIC FLOOR PLAN
SCALE 1/8" = 1'-0"

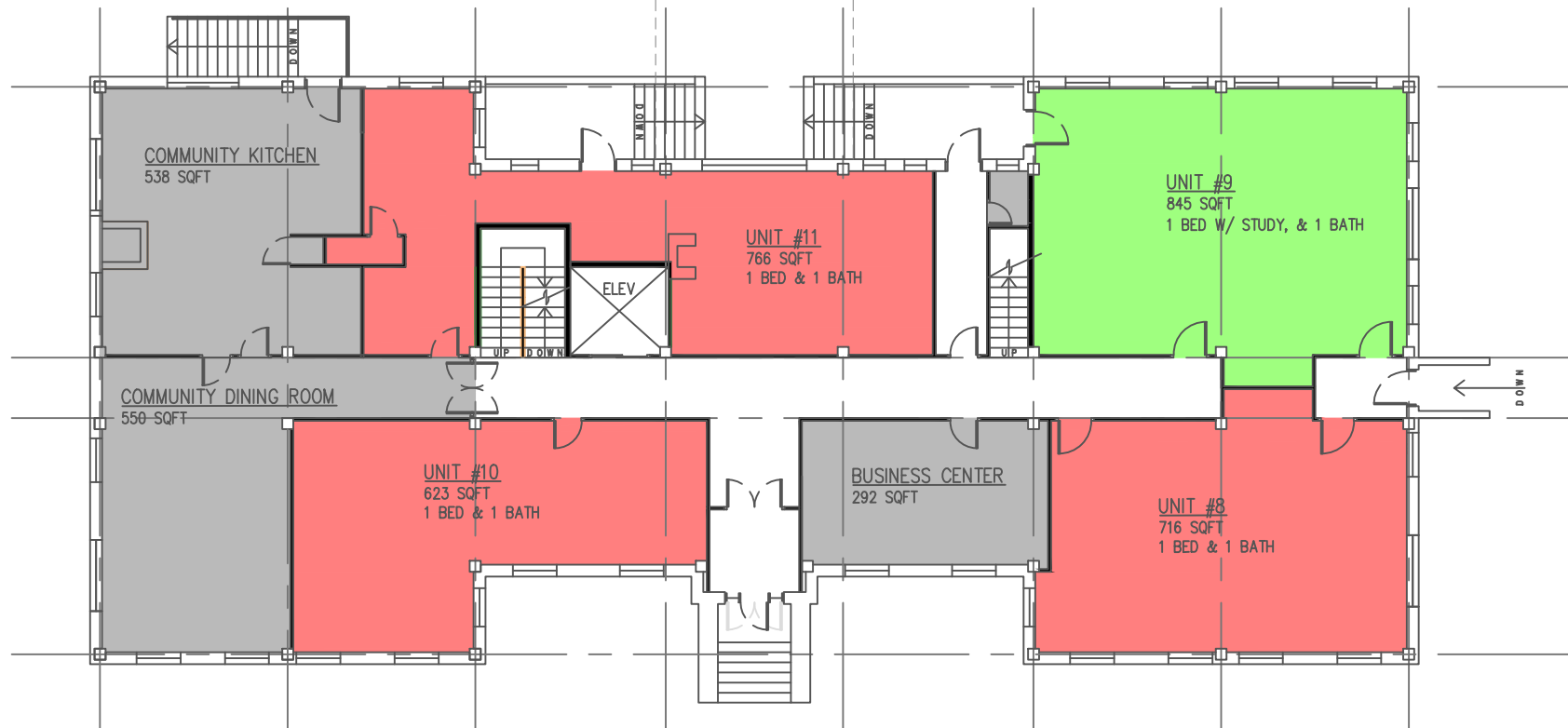


3 SECOND FLOOR PLAN
SCALE 1/8" = 1'-0"

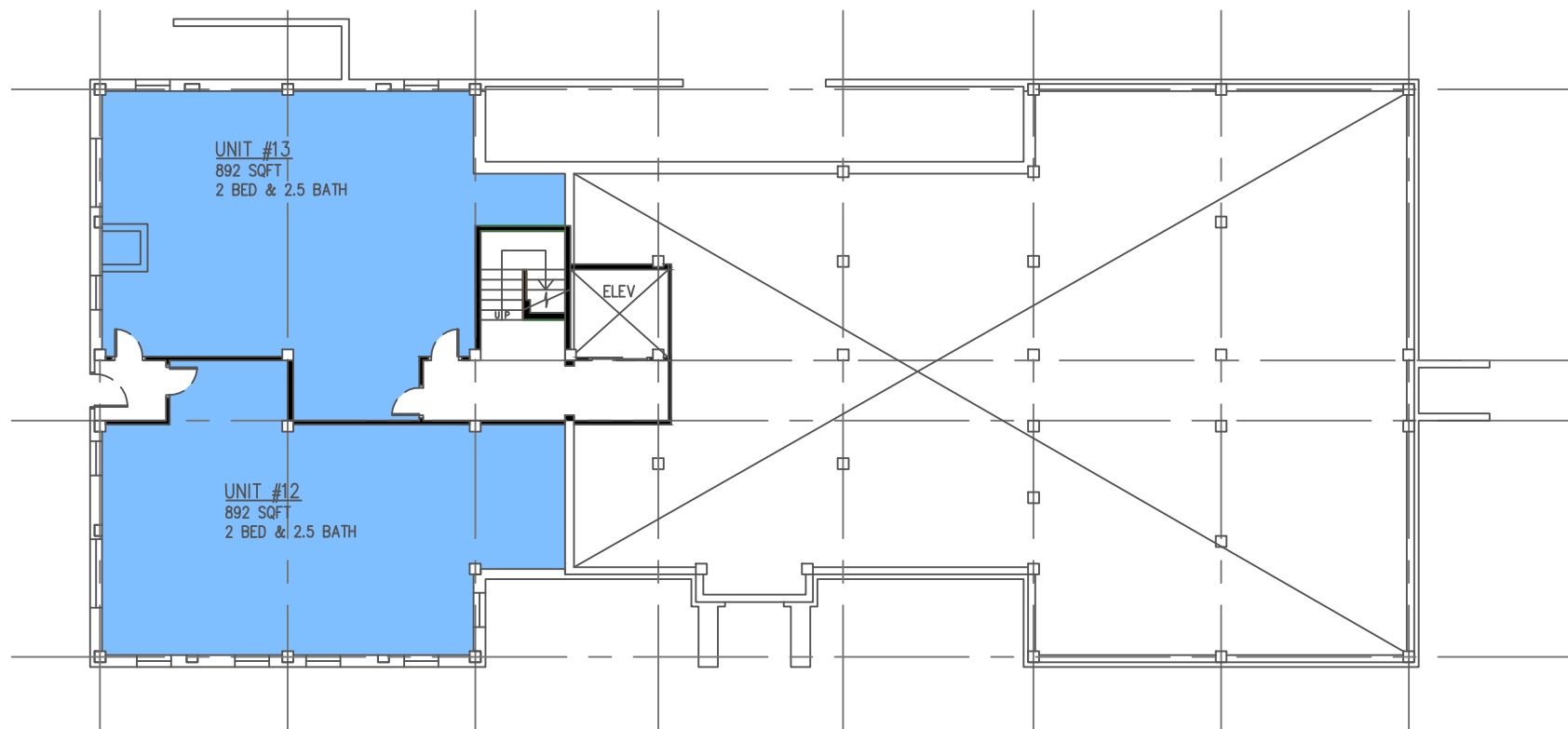


Sunbeam Apartments
620 NW 21st Street
OKC, OK

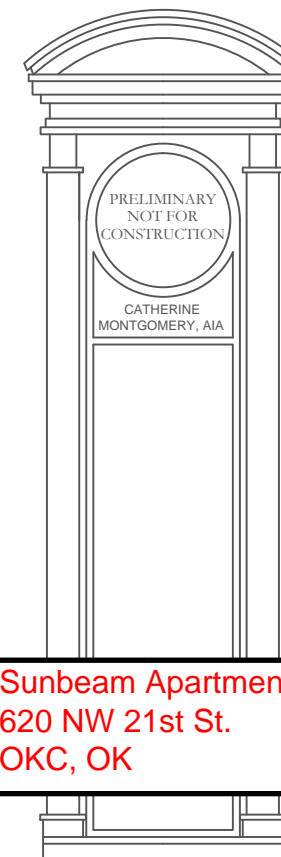
APPROVED:	C.M.
REVIEWED:	C.M.
DRAWN:	KA/S.W.
PROJECT NO.:	13-023
DATE:	FEB 2014
REVISIONS:	
	6/2014
CONTENTS:	
	620 21ST ST. PROPOSED FLOOR PLANS: 3RD & 4TH
SHEET:	
	5 of 7
PRESERVATION & DESIGN STUDIO	



2 GROUND FLOOR PLAN
SCALE 1/8" = 1'-0"



1 BASEMENT FLOOR PLAN
SCALE 1/8" = 1'-0"

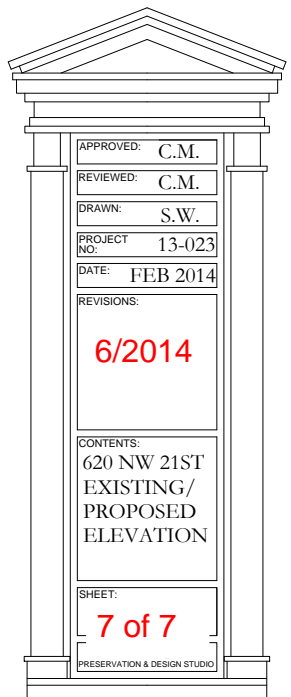
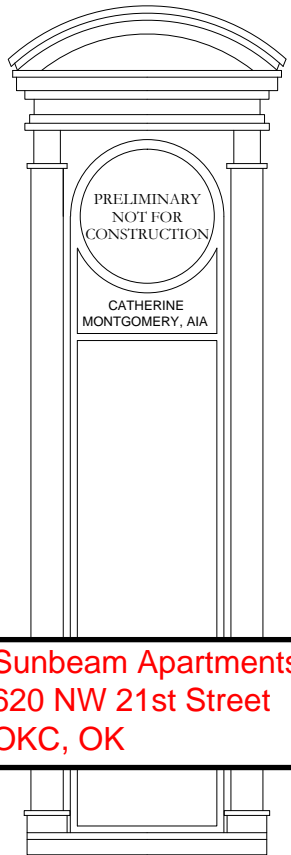


Sunbeam Apartments
620 NW 21st St.
OKC, OK

APPROVED:	C.M.
REVIEWED:	C.M.
DRAWN:	KA/S.W.
PROJECT NO.:	13-023
DATE:	FEB 2014
REVISIONS:	
	6/2014
CONTENTS:	620 21ST ST. PROPOSED FLOOR PLANS: 1ST & 2ND
SHEET:	6 of 7
PRESERVATION & DESIGN STUDIO	



1 EXISTING/ PROPOSED ELEVATION
NTS





0000000000204400059501272017

LIMITED LIABILITY COMPANY RESOLUTION TO BORROW / GRANT COLLATERAL

Principal	Loan Date	Maturity	Loan No	Call / Coll	Account	Officer	Initials
\$1,326,165.17	01-27-2017	01-27-2018	204400	165 / 30		JM	

References in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item. Any item above containing "****" has been omitted due to text length limitations.

Company: MIDTOWN BUILDERS, LLC
616 NW 21ST STREET
OKLAHOMA CITY, OK 73103

Lender: QUAIL CREEK BANK, N.A.
P.O. BOX 20160
OKLAHOMA CITY, OK 73156

I, THE UNDERSIGNED, DO HEREBY CERTIFY THAT:

THE COMPANY'S EXISTENCE. The complete and correct name of the Company is MIDTOWN BUILDERS, LLC ("Company"). The Company is a limited liability company which is, and at all times shall be, duly organized, validly existing, and in good standing under and by virtue of the laws of the State of Oklahoma. The Company is duly authorized to transact business in all other states in which the Company is doing business, having obtained all necessary filings, governmental licenses and approvals for each state in which the Company is doing business. Specifically, the Company is, and at all times shall be, duly qualified as a foreign limited liability company in all states in which the failure to so qualify would have a material adverse effect on its business or financial condition. The Company has the full power and authority to own its properties and to transact the business in which it is presently engaged or presently proposes to engage. The Company maintains an office at 616 NW 21ST STREET, OKLAHOMA CITY, OK 73103. Unless the Company has designated otherwise in writing, the principal office is the office at which the Company keeps its books and records. The Company will notify Lender prior to any change in the location of the Company's state of organization or any change in the Company's name. The Company shall do all things necessary to preserve and to keep in full force and effect its existence, rights and privileges, and shall comply with all regulations, rules, ordinances, statutes, orders and decrees of any governmental or quasi-governmental authority or court applicable to the Company and the Company's business activities.

RESOLUTIONS ADOPTED. At a meeting of the members of the Company, duly called and held on **January 27, 2017**, at which a quorum was present and voting, or by other duly authorized action in lieu of a meeting, the resolutions set forth in this Resolution were adopted.

MANAGER. The following named person is a manager of MIDTOWN BUILDERS, LLC:

<u>NAMES</u>	<u>TITLES</u>	<u>AUTHORIZED</u>	<u>ACTUAL SIGNATURES</u>
MARVA ELLARD	Member/Manager	Y X	

ACTIONS AUTHORIZED. The authorized person listed above may enter into any agreements of any nature with Lender, and those agreements will bind the Company. Specifically, but without limitation, the authorized person is authorized, empowered, and directed to do the following for and on behalf of the Company:

Borrow Money. To borrow, as a cosigner or otherwise, from time to time from Lender, on such terms as may be agreed upon between the Company and Lender, such sum or sums of money as in his or her judgment should be borrowed, without limitation.

Execute Notes. To execute and deliver to Lender the promissory note or notes, or other evidence of the Company's credit accommodations, on Lender's forms, at such rates of interest and on such terms as may be agreed upon, evidencing the sums of money so borrowed or any of the Company's indebtedness to Lender, and also to execute and deliver to Lender one or more renewals, extensions, modifications, refinancings, consolidations, or substitutions for one or more of the notes, any portion of the notes, or any other evidence of credit accommodations.

Grant Security. To mortgage, pledge, transfer, endorse, hypothecate, or otherwise encumber and deliver to Lender any property now or hereafter belonging to the Company or in which the Company now or hereafter may have an interest, including without limitation all of the Company's real property and all of the Company's personal property (tangible or intangible), as security for the payment of any loans or credit accommodations so obtained, any promissory notes so executed (including any amendments to or modifications, renewals, and extensions of such promissory notes), or any other or further indebtedness of the Company to Lender at any time owing, however the same may be evidenced. Such property may be mortgaged, pledged, transferred, endorsed, hypothecated or encumbered at the time such loans are obtained or such indebtedness is incurred, or at any other time or times, and may be either in addition to or in lieu of any property theretofore mortgaged, pledged, transferred, endorsed, hypothecated or encumbered.

Execute Security Documents. To execute and deliver to Lender the forms of mortgage, deed of trust, pledge agreement, hypothecation agreement, and other security agreements and financing statements which Lender may require and which shall evidence the terms and conditions under and pursuant to which such liens and encumbrances, or any of them, are given; and also to execute and deliver to Lender any other written instruments, any chattel paper, or any other collateral, of any kind or nature, which Lender may deem necessary or proper in connection with or pertaining to the giving of the liens and encumbrances.

Negotiate Items. To draw, endorse, and discount with Lender all drafts, trade acceptances, promissory notes, or other evidences of indebtedness payable to or belonging to the Company or in which the Company may have an interest, and either to receive cash for the same or to cause such proceeds to be credited to the Company's account with Lender, or to cause such other disposition of the proceeds derived therefrom as he or she may deem advisable.

Further Acts. In the case of lines of credit, to designate additional or alternate individuals as being authorized to request advances under such lines, and in all cases, to do and perform such other acts and things, to pay any and all fees and costs, and to execute and deliver such other documents and agreements as the manager may in his or her discretion deem reasonably necessary or proper in order to carry into effect the provisions of this Resolution. The following person or persons are authorized to request advances and authorize payments under the line of credit until Lender receives from the Company, at Lender's address shown above, written notice of revocation of such authority: **MARVA ELLARD, Member/Manager of MIDTOWN BUILDERS, LLC.**

ASSUMED BUSINESS NAMES. The Company has filed or recorded all documents or filings required by law relating to all assumed business names used by the Company. Excluding the name of the Company, the following is a complete list of all assumed business names under which the Company does business: **None.**

NOTICES TO LENDER. The Company will promptly notify Lender in writing at Lender's address shown above (or such other addresses as Lender may designate from time to time) prior to any (A) change in the Company's name; (B) change in the Company's assumed business name(s); (C) change in the management or in the Managers of the Company; (D) change in the authorized signer(s); (E) change in the Company's principal office address; (F) change in the Company's state of organization; (G) conversion of the Company to a new or different type of business entity; or (H) change in any other aspect of the Company that directly or indirectly relates to any agreements between the Company and Lender. No change in the Company's name or state of organization will take effect until after Lender has received notice.

CERTIFICATION CONCERNING MANAGERS AND RESOLUTIONS. The manager named above is duly elected, appointed, or employed by or for the Company, as the case may be, and occupies the position set opposite his or her respective name. This Resolution now stands of record on the books of the Company, is in full force and effect, and has not been modified or revoked in any manner whatsoever.

CONTINUING VALIDITY. Any and all acts authorized pursuant to this Resolution and performed prior to the passage of this Resolution are hereby ratified and approved. This Resolution shall be continuing, shall remain in full force and effect and Lender may rely on it until written notice of its revocation shall have been delivered to and received by Lender at Lender's address shown above (or such addresses as Lender may designate from time to time). Any such notice shall not affect any of the Company's agreements or commitments in effect at the time notice is given.

IN TESTIMONY WHEREOF, I have hereunto set my hand and attest that the signature set opposite the name listed above is his or her genuine signature.

I have read all the provisions of this Resolution, and I personally and on behalf of the Company certify that all statements and representations made in this Resolution are true and correct. This Limited Liability Company Resolution to Borrow / Grant Collateral is dated January 27, 2017.

**LIMITED LIABILITY COMPANY RESOLUTION TO BORROW / GRANT COLLATERAL
(Continued)**

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CERTIFIED TO AND ATTESTED BY:

X _____
MARVA ELLARD, Member/Manager of MIDTOWN
BUILDERS, LLC

NOTE: If the manager signing this Resolution is designated by the foregoing document as one of the managers authorized to act on the Company's behalf, it is advisable to have this Resolution signed by at least one non-authorized manager of the Company.

LaserPro, Ver. 16.4.10.054 Copr. D+H USA Corporation 1997, 2017. All Rights Reserved. - OK c:\LENDING\CFI\LPLIC15.FC TR 17474 PR-22

DRAFT



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Quail Creek Bank, n.a.

BUSINESS LOAN AGREEMENT

Principal	Loan Date	Maturity	Loan No	Call / Coll	Account	Officer	Initials
\$1,326,165.17	01-27-2017	01-27-2018	204400	165 / 30		JM	

References in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item. Any item above containing "****" has been omitted due to text length limitations.

Borrower: MIDTOWN BUILDERS, LLC
616 NW 21ST STREET
OKLAHOMA CITY, OK 73103

Lender: QUAIL CREEK BANK, N.A.
P.O. BOX 20160
OKLAHOMA CITY, OK 73156

THIS BUSINESS LOAN AGREEMENT dated January 27, 2017, is made and executed between MIDTOWN BUILDERS, LLC ("Borrower") and QUAIL CREEK BANK, N.A. ("Lender") on the following terms and conditions. Borrower has received prior commercial loans from Lender or has applied to Lender for a commercial loan or loans or other financial accommodations, including those which may be described on any exhibit or schedule attached to this Agreement. Borrower understands and agrees that: (A) in granting, renewing, or extending any Loan, Lender is relying upon Borrower's representations, warranties, and agreements as set forth in this Agreement; (B) the granting, renewing, or extending of any Loan by Lender at all times shall be subject to Lender's sole judgment and discretion; and (C) all such Loans shall be and remain subject to the terms and conditions of this Agreement.

TERM. This Agreement shall be effective as of January 27, 2017, and shall continue in full force and effect until such time as all of Borrower's Loans in favor of Lender have been paid in full, including principal, interest, costs, expenses, attorneys' fees, and other fees and charges, or until such time as the parties may agree in writing to terminate this Agreement.

ADVANCE AUTHORITY. The following person or persons are authorized to request advances and authorize payments under the line of credit until Lender receives from Borrower, at Lender's address shown above, written notice of revocation of such authority: **MARVA ELLARD, Member/Manager of MIDTOWN BUILDERS, LLC.**

CONDITIONS PRECEDENT TO EACH ADVANCE. Lender's obligation to make the initial Advance and each subsequent Advance under this Agreement shall be subject to the fulfillment to Lender's satisfaction of all of the conditions set forth in this Agreement and in the Related Documents.

Loan Documents. Borrower shall provide to Lender the following documents for the Loan: (1) the Note; (2) Security Agreements granting to Lender security interests in the Collateral; (3) financing statements and all other documents perfecting Lender's Security Interests; (4) evidence of insurance as required below; (5) guaranties; (6) together with all such Related Documents as Lender may require for the Loan; all in form and substance satisfactory to Lender and Lender's counsel.

Borrower's Authorization. Borrower shall have provided in form and substance satisfactory to Lender properly certified resolutions, duly authorizing the execution and delivery of this Agreement, the Note and the Related Documents. In addition, Borrower shall have provided such other resolutions, authorizations, documents and instruments as Lender or its counsel, may require.

Payment of Fees and Expenses. Borrower shall have paid to Lender all fees, charges, and other expenses which are then due and payable as specified in this Agreement or any Related Document.

Representations and Warranties. The representations and warranties set forth in this Agreement, in the Related Documents, and in any document or certificate delivered to Lender under this Agreement are true and correct.

No Event of Default. There shall not exist at the time of any Advance a condition which would constitute an Event of Default under this Agreement or under any Related Document.

REPRESENTATIONS AND WARRANTIES. Borrower represents and warrants to Lender, as of the date of this Agreement, as of the date of each disbursement of loan proceeds, as of the date of any renewal, extension or modification of any Loan, and at all times any Indebtedness exists:

Organization. Borrower is a limited liability company which is, and at all times shall be, duly organized, validly existing, and in good standing under and by virtue of the laws of the State of Oklahoma. Borrower is duly authorized to transact business in all other states in which Borrower is doing business, having obtained all necessary filings, governmental licenses and approvals for each state in which Borrower is doing business. Specifically, Borrower is, and at all times shall be, duly qualified as a foreign limited liability company in all states in which the failure to so qualify would have a material adverse effect on its business or financial condition. Borrower has the full power and authority to own its properties and to transact the business in which it is presently engaged or presently proposes to engage. Borrower maintains an office at 616 NW 21ST STREET, OKLAHOMA CITY, OK 73103. Unless Borrower has designated otherwise in writing, the principal office is the office at which Borrower keeps its books and records including its records concerning the Collateral. Borrower will notify Lender prior to any change in the location of Borrower's state of organization or any change in Borrower's name. Borrower shall do all things necessary to preserve and to keep in full force and effect its existence, rights and privileges, and shall comply with all regulations, rules, ordinances, statutes, orders and decrees of any governmental or quasi-governmental authority or court applicable to Borrower and Borrower's business activities.

Assumed Business Names. Borrower has filed or recorded all documents or filings required by law relating to all assumed business names used by Borrower. Excluding the name of Borrower, the following is a complete list of all assumed business names under which Borrower does business: **None.**

Authorization. Borrower's execution, delivery, and performance of this Agreement and all the Related Documents have been duly authorized by all necessary action by Borrower and do not conflict with, result in a violation of, or constitute a default under (1) any provision of (a) Borrower's articles of organization or membership agreements, or (b) any agreement or other instrument binding upon Borrower or (2) any law, governmental regulation, court decree, or order applicable to Borrower or to Borrower's properties.

Financial Information. Each of Borrower's financial statements supplied to Lender truly and completely disclosed Borrower's financial condition as of the date of the statement, and there has been no material adverse change in Borrower's financial condition subsequent to the date of the most recent financial statement supplied to Lender. Borrower has no material contingent obligations except as disclosed in such financial statements.

Legal Effect. This Agreement constitutes, and any instrument or agreement Borrower is required to give under this Agreement when delivered will constitute legal, valid, and binding obligations of Borrower enforceable against Borrower in accordance with their respective terms.

Properties. Except as contemplated by this Agreement or as previously disclosed in Borrower's financial statements or in writing to Lender and as accepted by Lender, and except for property tax liens for taxes not presently due and payable, Borrower owns and has good title to all of Borrower's properties free and clear of all Security Interests, and has not executed any security documents or financing statements relating to such properties. All of Borrower's properties are titled in Borrower's legal name, and Borrower has not used or filed a financing statement under any other name for at least the last five (5) years.

Hazardous Substances. Except as disclosed to and acknowledged by Lender in writing, Borrower represents and warrants that: (1) During the period of Borrower's ownership of the Collateral, there has been no use, generation, manufacture, storage, treatment, disposal, release or threatened release of any Hazardous Substance by any person on, under, about or from any of the Collateral. (2) Borrower has no knowledge of, or reason to believe that there has been (a) any breach or violation of any Environmental Laws; (b) any use, generation, manufacture, storage, treatment, disposal, release or threatened release of any Hazardous Substance on, under, about or from the Collateral by any prior owners or occupants of any of the Collateral; or (c) any actual or threatened litigation or claims of any kind by any person relating to such matters. (3) Neither Borrower nor any tenant, contractor, agent or other authorized user of any of the Collateral shall use, generate, manufacture, store, treat, dispose of or release any Hazardous Substance on, under, about or from any of the Collateral; and any such activity shall be conducted in compliance with all applicable federal, state, and local laws, regulations, and ordinances, including without limitation all Environmental Laws. Borrower authorizes Lender and its agents to enter upon the Collateral to

**BUSINESS LOAN AGREEMENT
(Continued)**

Loan No: 204400

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make such inspections and tests as Lender may deem appropriate to determine compliance of the Collateral with this section of the Agreement. Any inspections or tests made by Lender shall be at Borrower's expense and for Lender's purposes only and shall not be construed to create any responsibility or liability on the part of Lender to Borrower or to any other person. The representations and warranties contained herein are based on Borrower's due diligence in investigating the Collateral for hazardous waste and Hazardous Substances. Borrower hereby (1) releases and waives any future claims against Lender for indemnity or contribution in the event Borrower becomes liable for cleanup or other costs under any such laws, and (2) agrees to indemnify, defend, and hold harmless Lender against any and all claims, losses, liabilities, damages, penalties, and expenses which Lender may directly or indirectly sustain or suffer resulting from a breach of this section of the Agreement or as a consequence of any use, generation, manufacture, storage, disposal, release or threatened release of a hazardous waste or substance on the Collateral. The provisions of this section of the Agreement, including the obligation to indemnify and defend, shall survive the payment of the Indebtedness and the termination, expiration or satisfaction of this Agreement and shall not be affected by Lender's acquisition of any interest in any of the Collateral, whether by foreclosure or otherwise.

Litigation and Claims. No litigation, claim, investigation, administrative proceeding or similar action (including those for unpaid taxes) against Borrower is pending or threatened, and no other event has occurred which may materially adversely affect Borrower's financial condition or properties, other than litigation, claims, or other events, if any, that have been disclosed to and acknowledged by Lender in writing.

Taxes. To the best of Borrower's knowledge, all of Borrower's tax returns and reports that are or were required to be filed, have been filed, and all taxes, assessments and other governmental charges have been paid in full, except those presently being or to be contested by Borrower in good faith in the ordinary course of business and for which adequate reserves have been provided.

Lien Priority. Unless otherwise previously disclosed to Lender in writing, Borrower has not entered into or granted any Security Agreements, or permitted the filing or attachment of any Security Interests on or affecting any of the Collateral directly or indirectly securing repayment of Borrower's Loan and Note, that would be prior or that may in any way be superior to Lender's Security Interests and rights in and to such Collateral.

Binding Effect. This Agreement, the Note, all Security Agreements (if any), and all Related Documents are binding upon the signers thereof, as well as upon their successors, representatives and assigns, and are legally enforceable in accordance with their respective terms.

AFFIRMATIVE COVENANTS. Borrower covenants and agrees with Lender that, so long as this Agreement remains in effect, Borrower will:

Notices of Claims and Litigation. Promptly inform Lender in writing of (1) all material adverse changes in Borrower's financial condition, and (2) all existing and all threatened litigation, claims, investigations, administrative proceedings or similar actions affecting Borrower or any Guarantor which could materially affect the financial condition of Borrower or the financial condition of any Guarantor.

Financial Records. Maintain its books and records in accordance with GAAP, applied on a consistent basis, and permit Lender to examine and audit Borrower's books and records at all reasonable times.

Financial Statements. Furnish Lender with the following:

Annual Statements. As soon as available, but in no event later than ninety (90) days after the end of each fiscal year, Borrower's balance sheet and income statement for the year ended, prepared by Borrower.

All financial reports required to be provided under this Agreement shall be prepared in accordance with GAAP, applied on a consistent basis, and certified by Borrower as being true and correct.

Additional Information. Furnish such additional information and statements, as Lender may request from time to time.

Insurance. Maintain fire and other risk insurance, public liability insurance, and such other insurance as Lender may require with respect to Borrower's properties and operations, in form, amounts, coverages and with insurance companies acceptable to Lender. Borrower, upon request of Lender, will deliver to Lender from time to time the policies or certificates of insurance in form satisfactory to Lender, including stipulations that coverages will not be cancelled or diminished without at least thirty (30) days prior written notice to Lender. Each insurance policy also shall include an endorsement providing that coverage in favor of Lender will not be impaired in any way by any act, omission or default of Borrower or any other person. In connection with all policies covering assets in which Lender holds or is offered a security interest for the Loans, Borrower will provide Lender with such lender's loss payable or other endorsements as Lender may require.

Insurance Reports. Furnish to Lender, upon request of Lender, reports on each existing insurance policy showing such information as Lender may reasonably request, including without limitation the following: (1) the name of the insurer; (2) the risks insured; (3) the amount of the policy; (4) the properties insured; (5) the then current property values on the basis of which insurance has been obtained, and the manner of determining those values; and (6) the expiration date of the policy. In addition, upon request of Lender (however not more often than annually), Borrower will have an independent appraiser satisfactory to Lender determine, as applicable, the actual cash value or replacement cost of any Collateral. The cost of such appraisal shall be paid by Borrower.

Guaranties. Prior to disbursement of any Loan proceeds, furnish executed guaranties of the Loans in favor of Lender, executed by the guarantor named below, on Lender's forms, and in the amount and under the conditions set forth in those guaranties.

<u>Name of Guarantor</u>	<u>Amount</u>
MARVA ELLARD	Unlimited

Other Agreements. Comply with all terms and conditions of all other agreements, whether now or hereafter existing, between Borrower and any other party and notify Lender immediately in writing of any default in connection with any other such agreements.

Loan Proceeds. Use all Loan proceeds solely for Borrower's business operations, unless specifically consented to the contrary by Lender in writing.

Taxes, Charges and Liens. Pay and discharge when due all of its indebtedness and obligations, including without limitation all assessments, taxes, governmental charges, levies and liens, of every kind and nature, imposed upon Borrower or its properties, income, or profits, prior to the date on which penalties would attach, and all lawful claims that, if unpaid, might become a lien or charge upon any of Borrower's properties, income, or profits. Provided however, Borrower will not be required to pay and discharge any such assessment, tax, charge, levy, lien or claim so long as (1) the legality of the same shall be contested in good faith by appropriate proceedings, and (2) Borrower shall have established on Borrower's books adequate reserves with respect to such contested assessment, tax, charge, levy, lien, or claim in accordance with GAAP.

Performance. Perform and comply, in a timely manner, with all terms, conditions, and provisions set forth in this Agreement, in the Related Documents, and in all other instruments and agreements between Borrower and Lender. Borrower shall notify Lender immediately in writing of any default in connection with any agreement.

Operations. Maintain executive and management personnel with substantially the same qualifications and experience as the present executive and management personnel; provide written notice to Lender of any change in executive and management personnel; conduct its business affairs in a reasonable and prudent manner.

Environmental Studies. Promptly conduct and complete, at Borrower's expense, all such investigations, studies, samplings and testings as may be requested by Lender or any governmental authority relative to any substance, or any waste or by-product of any substance defined as toxic or a hazardous substance under applicable federal, state, or local law, rule, regulation, order or directive, at or affecting any property or any facility owned, leased or used by Borrower.

Compliance with Governmental Requirements. Comply with all laws, ordinances, and regulations, now or hereafter in effect, of all governmental authorities applicable to the conduct of Borrower's properties, businesses and operations, and to the use or occupancy of the Collateral, including without limitation, the Americans With Disabilities Act. Borrower may contest in good faith any such law, ordinance, or regulation and withhold compliance during any proceeding, including appropriate appeals, so long as Borrower has notified Lender in writing prior to doing so and so long as, in Lender's sole opinion, Lender's interests in the Collateral are not jeopardized. Lender may require Borrower to post adequate security or a surety bond, reasonably satisfactory to Lender, to protect Lender's interest.

Inspection. Permit employees or agents of Lender at any reasonable time to inspect any and all Collateral for the Loan or Loans and Borrower's other properties and to examine or audit Borrower's books, accounts, and records and to make copies and memoranda of Borrower's books, accounts, and records. If Borrower now or at any time hereafter maintains any records (including without limitation computer generated records and computer software programs for the generation of such records) in the possession of a third party, Borrower, upon request of Lender, shall notify such party to permit Lender free access to such records at all reasonable times and to provide Lender with copies of any records it may request, all at Borrower's expense.

Environmental Compliance and Reports. Borrower shall comply in all respects with any and all Environmental Laws; not cause or permit to exist, as a result of an intentional or unintentional action or omission on Borrower's part or on the part of any third party, on property

**BUSINESS LOAN AGREEMENT
(Continued)**

Loan No: 204400

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owned and/or occupied by Borrower, any environmental activity where damage may result to the environment, unless such environmental activity is pursuant to and in compliance with the conditions of a permit issued by the appropriate federal, state or local governmental authorities; shall furnish to Lender promptly and in any event within thirty (30) days after receipt thereof a copy of any notice, summons, lien, citation, directive, letter or other communication from any governmental agency or instrumentality concerning any intentional or unintentional action or omission on Borrower's part in connection with any environmental activity whether or not there is damage to the environment and/or other natural resources.

Additional Assurances. Make, execute and deliver to Lender such promissory notes, mortgages, deeds of trust, security agreements, assignments, financing statements, instruments, documents and other agreements as Lender or its attorneys may reasonably request to evidence and secure the Loans and to perfect all Security Interests.

LENDER'S EXPENDITURES. If any action or proceeding is commenced that would materially affect Lender's interest in the Collateral or if Borrower fails to comply with any provision of this Agreement or any Related Documents, including but not limited to Borrower's failure to discharge or pay when due any amounts Borrower is required to discharge or pay under this Agreement or any Related Documents, Lender on Borrower's behalf may (but shall not be obligated to) take any action that Lender deems appropriate, including but not limited to discharging or paying all taxes, liens, security interests, encumbrances and other claims, at any time levied or placed on any Collateral and paying all costs for insuring, maintaining and preserving any Collateral. All such expenditures incurred or paid by Lender for such purposes will then bear interest at the rate charged under the Note or at the highest rate authorized by law, from the date incurred or paid by Lender to the date of repayment by Borrower. All such expenses will become a part of the Indebtedness and, at Lender's option, will (A) be payable on demand; (B) be added to the balance of the Note and be apportioned among and be payable with any installment payments to become due during either (1) the term of any applicable insurance policy; or (2) the remaining term of the Note; or (C) be treated as a balloon payment which will be due and payable at the Note's maturity. If Lender is required by law to give Borrower notice before or after Lender makes an expenditure, Borrower agrees that notice sent by regular mail at least five (5) days before the expenditure is made or notice delivered two (2) days before the expenditure is made is sufficient, and that notice within sixty (60) days after the expenditure is made is reasonable.

CESSATION OF ADVANCES. If Lender has made any commitment to make any Loan to Borrower, whether under this Agreement or under any other agreement, Lender shall have no obligation to make Loan Advances or to disburse Loan proceeds if: (A) Borrower or any Guarantor is in default under the terms of this Agreement or any of the Related Documents or any other agreement that Borrower or any Guarantor has with Lender; (B) Borrower or any Guarantor dies, becomes incompetent or becomes insolvent, files a petition in bankruptcy or similar proceedings, or is adjudged a bankrupt; (C) there occurs a material adverse change in Borrower's financial condition, in the financial condition of any Guarantor, or in the value of any Collateral securing any Loan; or (D) any Guarantor seeks, claims or otherwise attempts to limit, modify or revoke such Guarantor's guaranty of the Loan or any other loan with Lender; or (E) Lender in good faith deems itself insecure, even though no Event of Default shall have occurred.

RIGHT OF SETOFF. To the extent permitted by applicable law, Lender reserves a right of setoff in all Borrower's accounts with Lender (whether checking, savings, or some other account). This includes all accounts Borrower holds jointly with someone else and all accounts Borrower may open in the future. However, this does not include any IRA or Keogh accounts, or any trust accounts for which setoff would be prohibited by law. Borrower authorizes Lender, to the extent permitted by applicable law, to charge or setoff all sums owing on the Indebtedness against any and all such accounts.

DEFAULT. Each of the following shall constitute an Event of Default under this Agreement:

Payment Default. Borrower fails to make any payment when due under the Loan.

Other Defaults. Borrower fails to comply with or to perform any other term, obligation, covenant or condition contained in this Agreement or in any of the Related Documents or to comply with or to perform any term, obligation, covenant or condition contained in any other agreement between Lender and Borrower.

False Statements. Any warranty, representation or statement made or furnished to Lender by Borrower or on Borrower's behalf under this Agreement or the Related Documents is false or misleading in any material respect, either now or at the time made or furnished or becomes false or misleading at any time thereafter.

Death or Insolvency. The dissolution of Borrower (regardless of whether election to continue is made), any member withdraws from Borrower, or any other termination of any of Borrower's existence as a going business or the death of any member, the insolvency of Borrower, the appointment of a receiver for any part of Borrower's property, any assignment for the benefit of creditors, any type of creditor workout, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against Borrower.

Defective Collateralization. This Agreement or any of the Related Documents ceases to be in full force and effect (including failure of any collateral document to create a valid and perfected security interest or lien) at any time and for any reason.

Creditor or Forfeiture Proceedings. Commencement of foreclosure or forfeiture proceedings, whether by judicial proceeding, self-help, repossession or any other method, by any creditor of Borrower or by any governmental agency against any collateral securing the Loan. This includes a garnishment of any of Borrower's accounts, including deposit accounts, with Lender. However, this Event of Default shall not apply if there is a good faith dispute by Borrower as to the validity or reasonableness of the claim which is the basis of the creditor or forfeiture proceeding and if Borrower gives Lender written notice of the creditor or forfeiture proceeding and deposits with Lender monies or a surety bond for the creditor or forfeiture proceeding, in an amount determined by Lender, in its sole discretion, as being an adequate reserve or bond for the dispute.

Events Affecting Guarantor. Any of the preceding events occurs with respect to any Guarantor of any of the Indebtedness or any Guarantor dies or becomes incompetent, or revokes or disputes the validity of, or liability under, any Guaranty of the Indebtedness.

Adverse Change. A material adverse change occurs in Borrower's financial condition, or Lender believes the prospect of payment or performance of the Loan is impaired.

Insecurity. Lender in good faith believes itself insecure.

Right to Cure. If any default, other than a default on Indebtedness, is curable and if Borrower or Grantor, as the case may be, has not been given a notice of a similar default within the preceding twelve (12) months, it may be cured if Borrower or Grantor, as the case may be, after Lender sends written notice to Borrower or Grantor, as the case may be, demanding cure of such default: (1) cure the default within fifteen (15) days; or (2) if the cure requires more than fifteen (15) days, immediately initiate steps which Lender deems in Lender's sole discretion to be sufficient to cure the default and thereafter continue and complete all reasonable and necessary steps sufficient to produce compliance as soon as reasonably practical.

EFFECT OF AN EVENT OF DEFAULT. If any Event of Default shall occur, except where otherwise provided in this Agreement or the Related Documents, all commitments and obligations of Lender under this Agreement or the Related Documents or any other agreement immediately will terminate (including any obligation to make further Loan Advances or disbursements), and, at Lender's option, all Indebtedness immediately will become due and payable, all without notice of any kind to Borrower, except that in the case of an Event of Default of the type described in the "Insolvency" subsection above, such acceleration shall be automatic and not optional. In addition, Lender shall have all the rights and remedies provided in the Related Documents or available at law, in equity, or otherwise. Except as may be prohibited by applicable law, all of Lender's rights and remedies shall be cumulative and may be exercised singularly or concurrently. Election by Lender to pursue any remedy shall not exclude pursuit of any other remedy, and an election to make expenditures or to take action to perform an obligation of Borrower or of any Grantor shall not affect Lender's right to declare a default and to exercise its rights and remedies.

ADDITION TO DEFAULT & REMEDIES. Failure to provide financial information. Failure to provide any documents required herein, whether by either Borrower(s) or Mortgagors(s), shall result in a change of rate as follows: from the Stated Rate to the Stated Rate plus 6%. Provided, however that the said rate change shall not become effective until lender gives written notice of the failure to provide documentation and Borrowers or Mortgagors shall have 30 days from the mailing thereof in which to cure said default. Upon correction of said deficiency, the rate shall readjust to the original stated rate provided herein and remain at said stated rate until such time as Borrowers or Mortgagors should once again fail to comply with the documentation requirements as set forth herein.

MISCELLANEOUS PROVISIONS. The following miscellaneous provisions are a part of this Agreement:

Amendments. This Agreement, together with any Related Documents, constitutes the entire understanding and agreement of the parties as to the matters set forth in this Agreement. All prior and contemporaneous representations and discussions concerning such matters either are included in this document or do not constitute an aspect of the agreement of the parties. Except as may be specifically set forth in this Agreement, no conditions precedent or subsequent, of any kind whatsoever, exist with respect to Borrower's obligations under this Agreement. No alteration of or amendment to this Agreement shall be effective unless given in writing and signed by the party or parties sought to be charged or bound by the alteration or amendment.

Attorneys' Fees; Expenses. Borrower agrees to pay upon demand all of Lender's costs and expenses, including Lender's attorneys' fees and Lender's legal expenses, incurred in connection with the enforcement of this Agreement. Lender may hire or pay someone else to help enforce this Agreement, and Borrower shall pay the costs and expenses of such enforcement. Costs and expenses include Lender's

**BUSINESS LOAN AGREEMENT
(Continued)**

Loan No: 204400

Page 4

attorneys' fees and legal expenses whether or not there is a lawsuit, including attorneys' fees and legal expenses for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), appeals, and any anticipated post-judgment collection services. Borrower also shall pay all court costs and such additional fees as may be directed by the court.

Caption Headings. Caption headings in this Agreement are for convenience purposes only and are not to be used to interpret or define the provisions of this Agreement.

Consent to Loan Participation. Borrower agrees and consents to Lender's sale or transfer, whether now or later, of one or more participation interests in the Loan to one or more purchasers, whether related or unrelated to Lender. Lender may provide, without any limitation whatsoever, to any one or more purchasers, or potential purchasers, any information or knowledge Lender may have about Borrower or about any other matter relating to the Loan, and Borrower hereby waives any rights to privacy Borrower may have with respect to such matters. Borrower additionally waives any and all notices of sale of participation interests, as well as all notices of any repurchase of such participation interests. Borrower also agrees that the purchasers of any such participation interests will be considered as the absolute owners of such interests in the Loan and will have all the rights granted under the participation agreement or agreements governing the sale of such participation interests. Borrower further waives all rights of offset or counterclaim that it may have now or later against Lender or against any purchaser of such a participation interest and unconditionally agrees that either Lender or such purchaser may enforce Borrower's obligation under the Loan irrespective of the failure or insolvency of any holder of any interest in the Loan. Borrower further agrees that the purchaser of any such participation interests may enforce its interests irrespective of any personal claims or defenses that Borrower may have against Lender.

Governing Law. This Agreement will be governed by federal law applicable to Lender and, to the extent not preempted by federal law, the laws of the State of Oklahoma without regard to its conflicts of law provisions. This Agreement has been accepted by Lender in the State of Oklahoma.

No Waiver by Lender. Lender shall not be deemed to have waived any rights under this Agreement unless such waiver is given in writing and signed by Lender. No delay or omission on the part of Lender in exercising any right shall operate as a waiver of such right or any other right. A waiver by Lender of a provision of this Agreement shall not prejudice or constitute a waiver of Lender's right otherwise to demand strict compliance with that provision or any other provision of this Agreement. No prior waiver by Lender, nor any course of dealing between Lender and Borrower, or between Lender and any Grantor, shall constitute a waiver of any of Lender's rights or of any of Borrower's or any Grantor's obligations as to any future transactions. Whenever the consent of Lender is required under this Agreement, the granting of such consent by Lender in any instance shall not constitute continuing consent to subsequent instances where such consent is required and in all cases such consent may be granted or withheld in the sole discretion of Lender.

Notices. To the extent permitted by applicable law, any notice required to be given under this Agreement shall be given in writing, and shall be effective when actually delivered, when actually received by telefacsimile (unless otherwise required by law), when deposited with a nationally recognized overnight courier, or, if mailed, when deposited in the United States mail, as first class, certified or registered mail postage prepaid, directed to the addresses shown near the beginning of this Agreement. Any party may change its address for notices under this Agreement by giving formal written notice to the other parties, specifying that the purpose of the notice is to change the party's address. For notice purposes, Borrower agrees to keep Lender informed at all times of Borrower's current address. To the extent permitted by applicable law, if there is more than one Borrower, any notice given by Lender to any Borrower is deemed to be notice given to all Borrowers.

Severability. If a court of competent jurisdiction finds any provision of this Agreement to be illegal, invalid, or unenforceable as to any circumstance, that finding shall not make the offending provision illegal, invalid, or unenforceable as to any other circumstance. If feasible, the offending provision shall be considered modified so that it becomes legal, valid and enforceable. If the offending provision cannot be so modified, it shall be considered deleted from this Agreement. Unless otherwise required by law, the illegality, invalidity, or unenforceability of any provision of this Agreement shall not affect the legality, validity or enforceability of any other provision of this Agreement.

Subsidiaries and Affiliates of Borrower. To the extent the context of any provisions of this Agreement makes it appropriate, including without limitation any representation, warranty or covenant, the word "Borrower" as used in this Agreement shall include all of Borrower's subsidiaries and affiliates. Notwithstanding the foregoing however, under no circumstances shall this Agreement be construed to require Lender to make any Loan or other financial accommodation to any of Borrower's subsidiaries or affiliates.

Successors and Assigns. All covenants and agreements by or on behalf of Borrower contained in this Agreement or any Related Documents shall bind Borrower's successors and assigns and shall inure to the benefit of Lender and its successors and assigns. Borrower shall not, however, have the right to assign Borrower's rights under this Agreement or any interest therein, without the prior written consent of Lender.

Survival of Representations and Warranties. Borrower understands and agrees that in extending Loan Advances, Lender is relying on all representations, warranties, and covenants made by Borrower in this Agreement or in any certificate or other instrument delivered by Borrower to Lender under this Agreement or the Related Documents. Borrower further agrees that regardless of any investigation made by Lender, all such representations, warranties and covenants will survive the extension of Loan Advances and delivery to Lender of the Related Documents, shall be continuing in nature, shall be deemed made and redated by Borrower at the time each Loan Advance is made, and shall remain in full force and effect until such time as Borrower's Indebtedness shall be paid in full, or until this Agreement shall be terminated in the manner provided above, whichever is the last to occur.

Time is of the Essence. Time is of the essence in the performance of this Agreement.

DEFINITIONS. The following capitalized words and terms shall have the following meanings when used in this Agreement. Unless specifically stated to the contrary, all references to dollar amounts shall mean amounts in lawful money of the United States of America. Words and terms used in the singular shall include the plural, and the plural shall include the singular, as the context may require. Words and terms not otherwise defined in this Agreement shall have the meanings attributed to such terms in the Uniform Commercial Code. Accounting words and terms not otherwise defined in this Agreement shall have the meanings assigned to them in accordance with generally accepted accounting principles as in effect on the date of this Agreement:

Advance. The word "Advance" means a disbursement of Loan funds made, or to be made, to Borrower or on Borrower's behalf on a line of credit or multiple advance basis under the terms and conditions of this Agreement.

Agreement. The word "Agreement" means this Business Loan Agreement, as this Business Loan Agreement may be amended or modified from time to time, together with all exhibits and schedules attached to this Business Loan Agreement from time to time.

Borrower. The word "Borrower" means MIDTOWN BUILDERS, LLC and includes all co-signers and co-makers signing the Note and all their successors and assigns.

Collateral. The word "Collateral" means all property and assets granted as collateral security for a Loan, whether real or personal property, whether granted directly or indirectly, whether granted now or in the future, and whether granted in the form of a security interest, mortgage, collateral mortgage, deed of trust, assignment, pledge, crop pledge, chattel mortgage, collateral chattel mortgage, chattel trust, factor's lien, equipment trust, conditional sale, trust receipt, lien, charge, lien or title retention contract, lease or consignment intended as a security device, or any other security or lien interest whatsoever, whether created by law, contract, or otherwise.

Environmental Laws. The words "Environmental Laws" mean any and all state, federal and local statutes, regulations and ordinances relating to the protection of human health or the environment, including without limitation the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended, 42 U.S.C. Section 9601, et seq. ("CERCLA"), the Superfund Amendments and Reauthorization Act of 1986, Pub. L. No. 99-499 ("SARA"), the Hazardous Materials Transportation Act, 49 U.S.C. Section 1801, et seq., the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901, et seq., or other applicable state or federal laws, rules, or regulations adopted pursuant thereto.

Event of Default. The words "Event of Default" mean any of the events of default set forth in this Agreement in the default section of this Agreement.

GAAP. The word "GAAP" means generally accepted accounting principles.

Grantor. The word "Grantor" means each and all of the persons or entities granting a Security Interest in any Collateral for the Loan, including without limitation all Borrowers granting such a Security Interest.

Guarantor. The word "Guarantor" means any guarantor, surety, or accommodation party of any or all of the Loan.

Guaranty. The word "Guaranty" means the guaranty from Guarantor to Lender, including without limitation a guaranty of all or part of the Note.

Hazardous Substances. The words "Hazardous Substances" mean materials that, because of their quantity, concentration or physical, chemical or infectious characteristics, may cause or pose a present or potential hazard to human health or the environment when improperly used, treated, stored, disposed of, generated, manufactured, transported or otherwise handled. The words "Hazardous

Substances" are used in their very broadest sense and include without limitation any and all hazardous or toxic substances, materials or waste as defined by or listed under the Environmental Laws. The term "Hazardous Substances" also includes, without limitation, petroleum and petroleum by-products or any fraction thereof and asbestos.

Indebtedness. The word "Indebtedness" means the indebtedness evidenced by the Note or Related Documents, including all principal and interest together with all other indebtedness and costs and expenses for which Borrower is responsible under this Agreement or under any of the Related Documents.

Lender. The word "Lender" means QUAIL CREEK BANK, N.A., its successors and assigns.

Loan. The word "Loan" means any and all loans and financial accommodations from Lender to Borrower whether now or hereafter existing, and however evidenced, including without limitation those loans and financial accommodations described herein or described on any exhibit or schedule attached to this Agreement from time to time.

Note. The word "Note" means the Note dated January 27, 2017 and executed by MIDTOWN BUILDERS, LLC in the principal amount of \$1,326,165.17, together with all renewals of, extensions of, modifications of, refinancings of, consolidations of, and substitutions for the note or credit agreement.

Related Documents. The words "Related Documents" mean all promissory notes, credit agreements, loan agreements, environmental agreements, guaranties, security agreements, mortgages, deeds of trust, security deeds, collateral mortgages, and all other instruments, agreements and documents, whether now or hereafter existing, executed in connection with the Loan.

Security Agreement. The words "Security Agreement" mean and include without limitation any agreements, promises, covenants, arrangements, understandings or other agreements, whether created by law, contract, or otherwise, evidencing, governing, representing, or creating a Security Interest.

Security Interest. The words "Security Interest" mean, without limitation, any and all types of collateral security, present and future, whether in the form of a lien, charge, encumbrance, mortgage, deed of trust, security deed, assignment, pledge, crop pledge, chattel mortgage, collateral chattel mortgage, chattel trust, factor's lien, equipment trust, conditional sale, trust receipt, lien or title retention contract, lease or consignment intended as a security device, or any other security or lien interest whatsoever whether created by law, contract, or otherwise.

BORROWER ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS BUSINESS LOAN AGREEMENT AND BORROWER AGREES TO ITS TERMS. THIS BUSINESS LOAN AGREEMENT IS DATED JANUARY 27, 2017.

BORROWER:

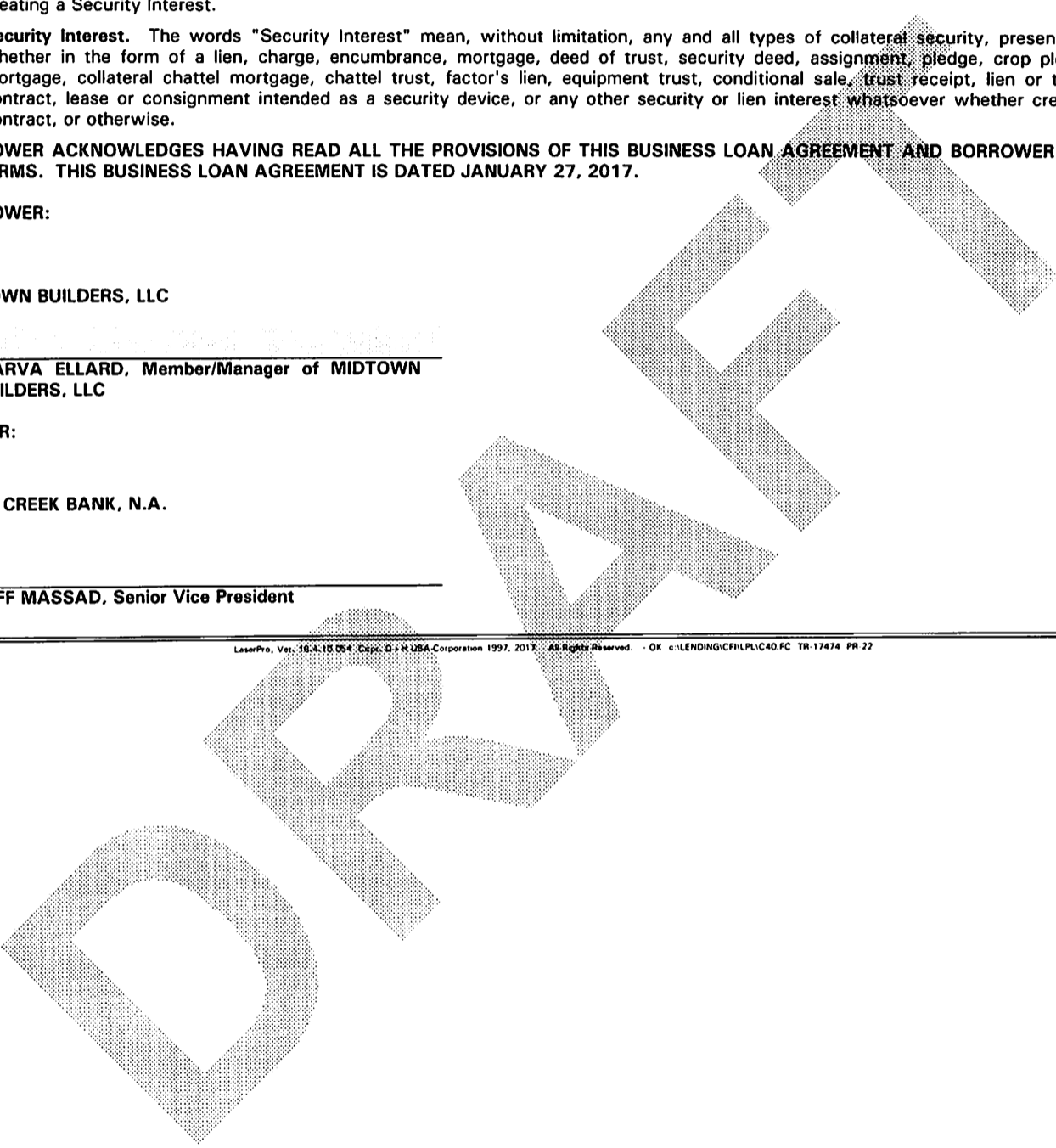
MIDTOWN BUILDERS, LLC

By: _____
MARVA ELLARD, Member/Manager of MIDTOWN BUILDERS, LLC

LENDER:

QUAIL CREEK BANK, N.A.

By: _____
JEFF MASSAD, Senior Vice President





Quail Creek Bank, n.a.

PROMISSORY NOTE

Principal	Loan Date	Maturity	Loan No	Call / Coll	Account	Officer	Initials
\$1,326,165.17	01-27-2017	01-27-2018	204400	165 / 30		JM	

References in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item. Any item above containing "****" has been omitted due to text length limitations.

Borrower: MIDTOWN BUILDERS, LLC
616 NW 21ST STREET
OKLAHOMA CITY, OK 73103

Lender: QUAIL CREEK BANK, N.A.
P.O. BOX 20160
OKLAHOMA CITY, OK 73156

Principal Amount: \$1,326,165.17

Date of Note: January 27, 2017

PROMISE TO PAY. MIDTOWN BUILDERS, LLC ("Borrower") promises to pay to QUAIL CREEK BANK, N.A. ("Lender"), or order, in lawful money of the United States of America, the principal amount of One Million Three Hundred Twenty-six Thousand One Hundred Sixty-five & 17/100 Dollars (\$1,326,165.17) or so much as may be outstanding, together with interest on the unpaid outstanding principal balance of each advance. Interest shall be calculated from the date of each advance until repayment of each advance.

PAYMENT. Borrower will pay this loan in one payment of all outstanding principal plus all accrued unpaid interest on January 27, 2018. In addition, Borrower will pay regular monthly payments of all accrued unpaid interest due as of each payment date, beginning February 27, 2017, with all subsequent interest payments to be due on the same day of each month after that. Unless otherwise agreed or required by applicable law, payments will be applied first to any accrued unpaid interest; then to principal; then to any late charges; and then to any unpaid collection costs.

VARIABLE INTEREST RATE. The interest rate on this Note is subject to change from time to time based on changes in an independent index which is the Wall Street Prime as published in the Wall Street Journal (Adjusted Daily) (the "Index"). The Index is not necessarily the lowest rate charged by Lender on its loans. If the Index becomes unavailable during the term of this loan, Lender may designate a substitute index after notifying Borrower. Lender will tell Borrower the current Index rate upon Borrower's request. The interest rate change will not occur more often than each day. Borrower understands that Lender may make loans based on other rates as well. The Index currently is 3.750% per annum. Interest on the unpaid principal balance of this Note will be calculated as described in the "INTEREST CALCULATION METHOD" paragraph using a rate of 0.500 percentage points over the Index, adjusted if necessary for any minimum and maximum rate limitations described below, resulting in an initial rate of 5.500% per annum based on a year of 360 days. NOTICE: Under no circumstances will the interest rate on this Note be less than 5.500% per annum or more than the maximum rate allowed by applicable law.

INTEREST CALCULATION METHOD. Interest on this Note is computed on a 365/360 basis; that is, by applying the ratio of the interest rate over a year of 360 days, multiplied by the outstanding principal balance, multiplied by the actual number of days the principal balance is outstanding. All interest payable under this Note is computed using this method.

RECEIPT OF PAYMENTS. All payments must be made in U.S. dollars and must be received by Lender at:

QUAIL CREEK BANK, N.A.
P.O. BOX 20160
OKLAHOMA CITY, OK 73156

All payments must be received by Lender consistent with any written payment instructions provided by Lender. If a payment is made consistent with Lender's payment instructions but received after no later than 6:00 p.m. Central Time on a business day, Lender will credit Borrower's payment on the next business day.

PREPAYMENT. Borrower agrees that all loan fees and other prepaid finance charges are earned fully as of the date of the loan and will not be subject to refund upon early payment (whether voluntary or as a result of default), except as otherwise required by law. Except for the foregoing, Borrower may pay without penalty all or a portion of the amount owed earlier than it is due. Early payments will not, unless agreed to by Lender in writing, relieve Borrower of Borrower's obligation to continue to make payments of accrued unpaid interest. Rather, early payments will reduce the principal balance due. Borrower agrees not to send Lender payments marked "paid in full", "without recourse", or similar language. If Borrower sends such a payment, Lender may accept it without losing any of Lender's rights under this Note, and Borrower will remain obligated to pay any further amount owed to Lender. All written communications concerning disputed amounts, including any check or other payment instrument that indicates that the payment constitutes "payment in full" of the amount owed or that is tendered with other conditions or limitations or as full satisfaction of a disputed amount must be mailed or delivered to: QUAIL CREEK BANK, N.A., P.O. BOX 20160 OKLAHOMA CITY, OK 73156.

LATE CHARGE. If a payment is 11 days or more late, Borrower will be charged \$50.00.

INTEREST AFTER DEFAULT. Upon default, at Lender's option, and if permitted by applicable law, Lender may add any unpaid accrued interest to principal and such sum will bear interest therefrom until paid at the rate provided in this Note (including any increased rate). Upon default, the interest rate on this Note shall be increased by adding an additional 6.000 percentage point margin ("Default Rate Margin"). The Default Rate Margin shall also apply to each succeeding interest rate change that would have applied had there been no default. However, in no event will the interest rate exceed the maximum interest rate limitations under applicable law.

DEFAULT. Each of the following shall constitute an event of default ("Event of Default") under this Note:

Payment Default. Borrower fails to make any payment when due under this Note.

Other Defaults. Borrower fails to comply with or to perform any other term, obligation, covenant or condition contained in this Note or in any of the related documents or to comply with or to perform any term, obligation, covenant or condition contained in any other agreement between Lender and Borrower.

False Statements. Any warranty, representation or statement made or furnished to Lender by Borrower or on Borrower's behalf under this Note or the related documents is false or misleading in any material respect, either now or at the time made or furnished or becomes false or misleading at any time thereafter.

Death or Insolvency. The dissolution of Borrower (regardless of whether election to continue is made), any member withdraws from Borrower, or any other termination of Borrower's existence as a going business or the death of any member, the insolvency of Borrower, the appointment of a receiver for any part of Borrower's property, any assignment for the benefit of creditors, any type of creditor workout, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against Borrower.

Creditor or Forfeiture Proceedings. Commencement of foreclosure or forfeiture proceedings, whether by judicial proceeding, self-help, repossession or any other method, by any creditor of Borrower or by any governmental agency against any collateral securing the loan. This includes a garnishment of any of Borrower's accounts, including deposit accounts, with Lender. However, this Event of Default shall not apply if there is a good faith dispute by Borrower as to the validity or reasonableness of the claim which is the basis of the creditor or forfeiture proceeding and if Borrower gives Lender written notice of the creditor or forfeiture proceeding and deposits with Lender monies or a surety bond for the creditor or forfeiture proceeding, in an amount determined by Lender, in its sole discretion, as being an adequate reserve or bond for the dispute.

Events Affecting Guarantor. Any of the preceding events occurs with respect to any Guarantor of any of the indebtedness or any Guarantor dies or becomes incompetent, or revokes or disputes the validity of, or liability under, any guaranty of the indebtedness evidenced by this Note.

Adverse Change. A material adverse change occurs in Borrower's financial condition, or Lender believes the prospect of payment or performance of this Note is impaired.

Insecurity. Lender in good faith believes itself insecure.

Cure Provisions. If any default, other than a default in payment, is curable and if Borrower has not been given a notice of a breach of the

**PROMISSORY NOTE
(Continued)**

Loan No: 204400

Page 2

same provision of this Note within the preceding twelve (12) months, it may be cured if Borrower, after Lender sends written notice to Borrower demanding cure of such default: (1) cures the default within fifteen (15) days; or (2) if the cure requires more than fifteen (15) days, immediately initiates steps which Lender deems in Lender's sole discretion to be sufficient to cure the default and thereafter continues and completes all reasonable and necessary steps sufficient to produce compliance as soon as reasonably practical.

LENDER'S RIGHTS. Upon default, Lender may declare the entire unpaid principal balance under this Note and all accrued unpaid interest immediately due, and then Borrower will pay that amount.

ATTORNEYS' FEES; EXPENSES. Lender may hire or pay someone else to help collect this Note if Borrower does not pay. Borrower will pay Lender that amount. This includes, subject to any limits under applicable law, Lender's attorneys' fees and Lender's legal expenses, whether or not there is a lawsuit, including without limitation all attorneys' fees and legal expenses for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), and appeals. If not prohibited by applicable law, Borrower also will pay any court costs, in addition to all other sums provided by law.

GOVERNING LAW. This Note will be governed by federal law applicable to Lender and, to the extent not preempted by federal law, the laws of the State of Oklahoma without regard to its conflicts of law provisions. This Note has been accepted by Lender in the State of Oklahoma.

DISHONORED ITEM FEE. Borrower will pay a fee to Lender of \$5.00 if Borrower makes a payment on Borrower's loan and the check or other payment order including any preauthorized charge with which Borrower pays is later dishonored.

RIGHT OF SETOFF. To the extent permitted by applicable law, Lender reserves a right of setoff in all Borrower's accounts with Lender (whether checking, savings, or some other account). This includes all accounts Borrower holds jointly with someone else and all accounts Borrower may open in the future. However, this does not include any IRA or Keogh accounts, or any trust accounts for which setoff would be prohibited by law. Borrower authorizes Lender, to the extent permitted by applicable law, to charge or setoff all sums owing on the indebtedness against any and all such accounts.

COLLATERAL. Borrower acknowledges this Note is secured by FIRST REAL ESTATE MORTGAGE AND ASSIGNMENT OF RENTS AND LEASES ON PROPERTY LOCATED AT 620 NW 21ST, OKLAHOMA CITY, OK, ASSIGNMENT OF NET PROCEEDS FROM OKLAHOMA HISTORIC TAX CREDIT SALE, AND ASSIGNMENT OF \$500,000.00 LIFE INSURANCE POLICY ON MARVA ELLARD.

LINE OF CREDIT. This Note evidences a straight line of credit. Once the total amount of principal has been advanced, Borrower is not entitled to further loan advances. Advances under this Note may be requested orally by Borrower or as provided in this paragraph. All oral requests shall be confirmed in writing on the day of the request. All communications, instructions, or directions by telephone or otherwise to Lender are to be directed to Lender's office shown above. The following person or persons are authorized to request advances and authorize payments under the line of credit until Lender receives from Borrower, at Lender's address shown above, written notice of revocation of such authority: **MARVA ELLARD, Member/Manager of MIDTOWN BUILDERS, LLC.** Borrower agrees to be liable for all sums either: (A) advanced in accordance with the instructions of an authorized person or (B) credited to any of Borrower's accounts with Lender. The unpaid principal balance owing on this Note at any time may be evidenced by endorsements on this Note or by Lender's internal records, including daily computer print-outs.

SUCCESSOR INTERESTS. The terms of this Note shall be binding upon Borrower, and upon Borrower's heirs, personal representatives, successors and assigns, and shall inure to the benefit of Lender and its successors and assigns.

NOTIFY US OF INACCURATE INFORMATION WE REPORT TO CONSUMER REPORTING AGENCIES. Borrower may notify Lender if Lender reports any inaccurate information about Borrower's account(s) to a consumer reporting agency. Borrower's written notice describing the specific inaccuracy(ies) should be sent to Lender at the following address: QUAIL CREEK BANK, N.A. P.O. BOX 20160 OKLAHOMA CITY, OK 73120.

GENERAL PROVISIONS. If any part of this Note cannot be enforced, this fact will not affect the rest of the Note. Lender may delay or forgo enforcing any of its rights or remedies under this Note without losing them. Borrower and any other person who signs, guarantees or endorses this Note, to the extent allowed by law, waive presentment, demand for payment, and notice of dishonor. Upon any change in the terms of this Note, and unless otherwise expressly stated in writing, no party who signs this Note, whether as maker, guarantor, accommodation maker or endorser, shall be released from liability. All such parties agree that Lender may renew or extend (repeatedly and for any length of time) this loan or release any party or guarantor or collateral; or impair, fail to realize upon or perfect Lender's security interest in the collateral; and take any other action deemed necessary by Lender without the consent of or notice to anyone. All such parties also agree that Lender may modify this loan without the consent of or notice to anyone other than the party with whom the modification is made. The obligations under this Note are joint and several.

PRIOR TO SIGNING THIS NOTE, BORROWER READ AND UNDERSTOOD ALL THE PROVISIONS OF THIS NOTE, INCLUDING THE VARIABLE INTEREST RATE PROVISIONS. BORROWER AGREES TO THE TERMS OF THE NOTE.

BORROWER ACKNOWLEDGES RECEIPT OF A COMPLETED COPY OF THIS PROMISSORY NOTE.

BORROWER:

MIDTOWN BUILDERS, LLC

By:

MARVA ELLARD, Member/Manager of MIDTOWN BUILDERS, LLC



000000000020440022001272017



Quail Creek Bank, n.a.

COMMERCIAL GUARANTY

Borrower: MIDTOWN BUILDERS, LLC
616 NW 21ST STREET
OKLAHOMA CITY, OK 73103

Lender: QUAIL CREEK BANK, N.A.
P.O. BOX 20160
OKLAHOMA CITY, OK 73156

Guarantor: MARVA ELLARD
1521 N SHARTEL AVENUE
OKLAHOMA CITY, OK 73103

CONTINUING GUARANTEE OF PAYMENT AND PERFORMANCE. For good and valuable consideration, Guarantor absolutely and unconditionally guarantees full and punctual payment and satisfaction of the Indebtedness of Borrower to Lender, and the performance and discharge of all Borrower's obligations under the Note and the Related Documents. This is a guaranty of payment and performance and not of collection, so Lender can enforce this Guaranty against Guarantor even when Lender has not exhausted Lender's remedies against anyone else obligated to pay the Indebtedness or against any collateral securing the Indebtedness, this Guaranty or any other guaranty of the Indebtedness. Guarantor will make any payments to Lender or its order, on demand, in legal tender of the United States of America, in same-day funds, without set-off or deduction or counterclaim, and will otherwise perform Borrower's obligations under the Note and Related Documents. Under this Guaranty, Guarantor's liability is unlimited and Guarantor's obligations are continuing.

INDEBTEDNESS. The word "Indebtedness" as used in this Guaranty means all of the principal amount outstanding from time to time and at any one or more times, accrued unpaid interest thereon and all collection costs and legal expenses related thereto permitted by law, attorneys' fees, arising from any and all debts, liabilities and obligations of every nature or form, now existing or hereafter arising or acquired, that Borrower individually or collectively or interchangeably with others, owes or will owe Lender. "Indebtedness" includes, without limitation, loans, advances, debts, overdraft indebtedness, credit card indebtedness, lease obligations, liabilities and obligations under any interest rate protection agreements or foreign currency exchange agreements or commodity price protection agreements, other obligations, and liabilities of Borrower, and any present or future judgments against Borrower, future advances, loans or transactions that renew, extend, modify, refinance, consolidate or substitute these debts, liabilities and obligations whether voluntarily or involuntarily incurred; due or to become due by their terms or acceleration; absolute or contingent; liquidated or unliquidated; determined or undetermined; direct or indirect; primary or secondary in nature or arising from a guaranty or surety; secured or unsecured; joint or several or joint and several; evidenced by a negotiable or non-negotiable instrument or writing; originated by Lender or another or others; barred or unenforceable against Borrower for any reason whatsoever; for any transactions that may be voidable for any reason (such as infancy, insanity, ultra vires or otherwise); and originated then reduced or extinguished and then afterwards increased or reinstated.

If Lender presently holds one or more guaranties, or hereafter receives additional guaranties from Guarantor, Lender's rights under all guaranties shall be cumulative. This Guaranty shall not (unless specifically provided below to the contrary) affect or invalidate any such other guaranties. Guarantor's liability will be Guarantor's aggregate liability under the terms of this Guaranty and any such other unexpired guaranties.

CONTINUING GUARANTY. THIS IS A "CONTINUING GUARANTY" UNDER WHICH GUARANTOR AGREES TO GUARANTEE THE FULL AND PUNCTUAL PAYMENT, PERFORMANCE AND SATISFACTION OF THE INDEBTEDNESS OF BORROWER TO LENDER, NOW EXISTING OR HEREAFTER ARISING OR ACQUIRED, ON AN OPEN AND CONTINUING BASIS. ACCORDINGLY, ANY PAYMENTS MADE ON THE INDEBTEDNESS WILL NOT DISCHARGE OR DIMINISH GUARANTOR'S OBLIGATIONS AND LIABILITY UNDER THIS GUARANTY FOR ANY REMAINING AND SUCCEEDING INDEBTEDNESS EVEN WHEN ALL OR PART OF THE OUTSTANDING INDEBTEDNESS MAY BE A ZERO BALANCE FROM TIME TO TIME.

DURATION OF GUARANTY. This Guaranty will take effect when received by Lender without the necessity of any acceptance by Lender, or any notice to Guarantor or to Borrower, and will continue in full force until all the Indebtedness incurred or contracted before receipt by Lender of any notice of revocation shall have been fully and finally paid and satisfied and all of Guarantor's other obligations under this Guaranty shall have been performed in full. If Guarantor elects to revoke this Guaranty, Guarantor may only do so in writing. Guarantor's written notice of revocation must be mailed to Lender, by certified mail, at Lender's address listed above or such other place as Lender may designate in writing. Written revocation of this Guaranty will apply only to new Indebtedness created after actual receipt by Lender of Guarantor's written revocation. For this purpose and without limitation, the term "new Indebtedness" does not include the Indebtedness which at the time of notice of revocation is contingent, unliquidated, undetermined or not due and which later becomes absolute, liquidated, determined or due. For this purpose and without limitation, "new Indebtedness" does not include all or part of the Indebtedness that is: incurred by Borrower prior to revocation; incurred under a commitment that became binding before revocation; any renewals, extensions, substitutions, and modifications of the Indebtedness. This Guaranty shall bind Guarantor's estate as to the Indebtedness created both before and after Guarantor's death or incapacity, regardless of Lender's actual notice of Guarantor's death. Subject to the foregoing, Guarantor's executor or administrator or other legal representative may terminate this Guaranty in the same manner in which Guarantor might have terminated it and with the same effect. Release of any other guarantor or termination of any other guaranty of the Indebtedness shall not affect the liability of Guarantor under this Guaranty. A revocation Lender receives from any one or more Guarantors shall not affect the liability of any remaining Guarantors under this Guaranty. It is anticipated that fluctuations may occur in the aggregate amount of the Indebtedness covered by this Guaranty, and Guarantor specifically acknowledges and agrees that reductions in the amount of the Indebtedness, even to zero dollars (\$0.00), shall not constitute a termination of this Guaranty. This Guaranty is binding upon Guarantor and Guarantor's heirs, successors and assigns so long as any of the Indebtedness remains unpaid and even though the Indebtedness may from time to time be zero dollars (\$0.00).

GUARANTOR'S AUTHORIZATION TO LENDER. Guarantor authorizes Lender, either before or after any revocation hereof, without notice or demand and without lessening Guarantor's liability under this Guaranty, from time to time: (A) prior to revocation as set forth above, to make one or more additional secured or unsecured loans to Borrower, to lease equipment or other goods to Borrower, or otherwise to extend additional credit to Borrower; (B) to alter, compromise, renew, extend, accelerate, or otherwise change one or more times the time for payment or other terms of the Indebtedness or any part of the Indebtedness, including increases and decreases of the rate of interest on the Indebtedness; extensions may be repeated and may be for longer than the original loan term; (C) to take and hold security for the payment of this Guaranty or the Indebtedness, and exchange, enforce, waive, subordinate, fail or decide not to perfect, and release any such security, with or without the substitution of new collateral; (D) to release, substitute, agree not to sue, or deal with any one or more of Borrower's sureties, endorsers, or other guarantors on any terms or in any manner Lender may choose; (E) to determine how, when and what application of payments and credits shall be made on the Indebtedness; (F) to apply such security and direct the order or manner of sale thereof, including without limitation, any nonjudicial sale permitted by the terms of the controlling security agreement or deed of trust, as Lender in its discretion may determine; (G) to sell, transfer, assign or grant participations in all or any part of the Indebtedness (H) to assign or transfer this Guaranty in whole or in part; (I) to exercise or refrain from exercising any rights against Borrower or others, or otherwise act or refrain from acting; (J) to settle or compromise any Indebtedness; and (K) to subordinate the payment of all or any part of any Indebtedness of Borrower to Lender to the payment of any liabilities which may be due Lender or others.

GUARANTOR'S REPRESENTATIONS AND WARRANTIES. Guarantor represents and warrants to Lender that (A) no representations or agreements of any kind have been made to Guarantor which would limit or qualify in any way the terms of this Guaranty; (B) this Guaranty is executed at Borrower's request and not at the request of Lender; (C) Guarantor has full power, right and authority to enter into this Guaranty; (D) the provisions of this Guaranty do not conflict with or result in a default under any agreement or other instrument binding upon Guarantor and do not result in a violation of any law, regulation, court decree or order applicable to Guarantor; (E) Guarantor has not and will not, without the prior written consent of Lender, sell, lease, assign, encumber, hypothecate, transfer, or otherwise dispose of all or substantially all of Guarantor's assets, or any interest therein; (F) upon Lender's request, Guarantor will provide to Lender financial and credit information in form acceptable to Lender, and all such financial information which currently has been, and all future financial information which will be provided to Lender is and will be true and correct in all material respects and fairly present Guarantor's financial condition as of the dates the financial information is provided; (G) no material adverse change has occurred in Guarantor's financial condition since the date of the most recent financial statements provided to Lender and no event has occurred which may materially adversely affect Guarantor's financial condition; (H) no litigation, claim, investigation, administrative proceeding or similar action (including those for unpaid taxes) against Guarantor is pending or threatened; (I) Lender has made no representation to Guarantor as to the creditworthiness of Borrower; and (J) Guarantor has established adequate means of obtaining from Borrower on a continuing basis information regarding Borrower's financial condition. Guarantor agrees to keep adequately informed from such means of any facts, events, or circumstances which might in any way affect Guarantor's risks under this

**COMMERCIAL GUARANTY
(Continued)**

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Guaranty, and Guarantor further agrees that, absent a request for information, Lender shall have no obligation to disclose to Guarantor any information or documents acquired by Lender in the course of its relationship with Borrower.

GUARANTOR'S WAIVERS. Except as prohibited by applicable law, Guarantor waives any right to require Lender (A) to continue lending money or to extend other credit to Borrower; (B) to make any presentment, protest, demand, or notice of any kind, including notice of any nonpayment of the Indebtedness or of any nonpayment related to any collateral, or notice of any action or nonaction on the part of Borrower, Lender, any surety, endorser, or other guarantor in connection with the Indebtedness or in connection with the creation of new or additional loans or obligations; (C) to resort for payment or to proceed directly or at once against any person, including Borrower or any other guarantor; (D) to proceed directly against or exhaust any collateral held by Lender from Borrower, any other guarantor, or any other person; (E) to give notice of the terms, time, and place of any public or private sale of personal property security held by Lender from Borrower or to comply with any other applicable provisions of the Uniform Commercial Code; (F) to pursue any other remedy within Lender's power; or (G) to commit any act or omission of any kind, or at any time, with respect to any matter whatsoever.

Guarantor also waives any and all rights or defenses based on suretyship or impairment of collateral including, but not limited to, any rights or defenses arising by reason of (A) any "one action" or "anti-deficiency" law or any other law which may prevent Lender from bringing any action, including a claim for deficiency, against Guarantor, before or after Lender's commencement or completion of any foreclosure action, either judicially or by exercise of a power of sale; (B) any election of remedies by Lender which destroys or otherwise adversely affects Guarantor's subrogation rights or Guarantor's rights to proceed against Borrower for reimbursement, including without limitation, any loss of rights Guarantor may suffer by reason of any law limiting, qualifying, or discharging the Indebtedness; (C) any disability or other defense of Borrower, of any other guarantor, or of any other person, or by reason of the cessation of Borrower's liability from any cause whatsoever, other than payment in full in legal tender, of the Indebtedness; (D) any right to claim discharge of the Indebtedness on the basis of impairment of any collateral for the Indebtedness; (E) any statute of limitations, if at any time any action or suit brought by Lender against Guarantor is commenced, there is outstanding Indebtedness which is not barred by any applicable statute of limitations; (F) any defenses given to guarantors at law or in equity other than actual payment and performance of the Indebtedness; or (G) by any failure, neglect, or omission by Lender to perfect in any manner the collection of the Indebtedness or the security given therefor, including the failure or omission to seek a deficiency judgment against Borrower. If payment is made by Borrower, whether voluntarily or otherwise, or by any third party, on the Indebtedness and thereafter Lender is forced to remit the amount of that payment to Borrower's trustee in bankruptcy or to any similar person under any federal or state bankruptcy law or law for the relief of debtors, the Indebtedness shall be considered unpaid for the purpose of the enforcement of this Guaranty.

Guarantor further waives and agrees not to assert or claim at any time any deductions to the amount guaranteed under this Guaranty for any claim of setoff, counterclaim, counter demand, recoupment or similar right, whether such claim, demand or right may be asserted by the Borrower, the Guarantor, or both.

GUARANTOR'S UNDERSTANDING WITH RESPECT TO WAIVERS. Guarantor warrants and agrees that each of the waivers set forth above is made with Guarantor's full knowledge of its significance and consequences and that, under the circumstances, the waivers are reasonable and not contrary to public policy or law. If any such waiver is determined to be contrary to any applicable law or public policy, such waiver shall be effective only to the extent permitted by law or public policy.

RIGHT OF SETOFF. To the extent permitted by applicable law, Lender reserves a right of setoff in all Guarantor's accounts with Lender (whether checking, savings, or some other account). This includes all accounts Guarantor holds jointly with someone else and all accounts Guarantor may open in the future. However, this does not include any IRA or Keogh accounts, or any trust accounts for which setoff would be prohibited by law. Guarantor authorizes Lender, to the extent permitted by applicable law, to hold these funds if there is a default, and Lender may apply the funds in these accounts to pay what Guarantor owes under the terms of this Guaranty.

SUBORDINATION OF BORROWER'S DEBTS TO GUARANTOR. Guarantor agrees that the Indebtedness, whether now existing or hereafter created, shall be superior to any claim that Guarantor may now have or hereafter acquire against Borrower, whether or not Borrower becomes insolvent. Guarantor hereby expressly subordinates any claim Guarantor may have against Borrower, upon any account whatsoever, to any claim that Lender may now or hereafter have against Borrower. In the event of insolvency and consequent liquidation of the assets of Borrower, through bankruptcy, by an assignment for the benefit of creditors, by voluntary liquidation, or otherwise, the assets of Borrower applicable to the payment of the claims of both Lender and Guarantor shall be paid to Lender and shall be first applied by Lender to the Indebtedness. Guarantor does hereby assign to Lender all claims which it may have or acquire against Borrower or against any assignee or trustee in bankruptcy of Borrower; provided however, that such assignment shall be effective only for the purpose of assuring to Lender full payment in legal tender of the Indebtedness. If Lender so requests, any notes or credit agreements now or hereafter evidencing any debts or obligations of Borrower to Guarantor shall be marked with a legend that the same are subject to this Guaranty and shall be delivered to Lender. Guarantor agrees, and Lender is hereby authorized, in the name of Guarantor, from time to time to file financing statements and continuation statements and to execute documents and to take such other actions as Lender deems necessary or appropriate to perfect, preserve and enforce its rights under this Guaranty.

MISCELLANEOUS PROVISIONS. The following miscellaneous provisions are a part of this Guaranty:

Amendments. This Guaranty, together with any Related Documents, constitutes the entire understanding and agreement of the parties as to the matters set forth in this Guaranty. All prior and contemporaneous representations and discussions concerning such matters either are included in this document or do not constitute an aspect of the agreement of the parties. Except as may be specifically set forth in this Guaranty, no conditions precedent or subsequent, of any kind whatsoever, exist with respect to Guarantor's obligations under this Guaranty. No alteration of or amendment to this Guaranty shall be effective unless given in writing and signed by the party or parties sought to be charged or bound by the alteration or amendment.

Attorneys' Fees; Expenses. Guarantor agrees to pay upon demand all of Lender's costs and expenses, including Lender's attorneys' fees and Lender's legal expenses, incurred in connection with the enforcement of this Guaranty. Lender may hire or pay someone else to help enforce this Guaranty, and Guarantor shall pay the costs and expenses of such enforcement. Costs and expenses include Lender's attorneys' fees and legal expenses whether or not there is a lawsuit, including attorneys' fees and legal expenses for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), appeals, and any anticipated post-judgment collection services. Guarantor also shall pay all court costs and such additional fees as may be directed by the court.

Caption Headings. Caption headings in this Guaranty are for convenience purposes only and are not to be used to interpret or define the provisions of this Guaranty.

Governing Law. This Guaranty will be governed by federal law applicable to Lender and, to the extent not preempted by federal law, the laws of the State of Oklahoma without regard to its conflicts of law provisions.

Integration. Guarantor further agrees that Guarantor has read and fully understands the terms of this Guaranty; Guarantor has had the opportunity to be advised by Guarantor's attorney with respect to this Guaranty; the Guaranty fully reflects Guarantor's intentions and parol evidence is not required to interpret the terms of this Guaranty. Guarantor hereby indemnifies and holds Lender harmless from all losses, claims, damages, and costs (including Lender's attorneys' fees) suffered or incurred by Lender as a result of any breach by Guarantor of the warranties, representations and agreements of this paragraph.

Interpretation. In all cases where there is more than one Borrower or Guarantor, then all words used in this Guaranty in the singular shall be deemed to have been used in the plural where the context and construction so require; and where there is more than one Borrower named in this Guaranty or when this Guaranty is executed by more than one Guarantor, the words "Borrower" and "Guarantor" respectively shall mean all and any one or more of them. The words "Guarantor," "Borrower," and "Lender" include the heirs, successors, assigns, and transferees of each of them. If a court finds that any provision of this Guaranty is not valid or should not be enforced, that fact by itself will not mean that the rest of this Guaranty will not be valid or enforced. Therefore, a court will enforce the rest of the provisions of this Guaranty even if a provision of this Guaranty may be found to be invalid or unenforceable. If any one or more of Borrower or Guarantor are corporations, partnerships, limited liability companies, or similar entities, it is not necessary for Lender to inquire into the powers of Borrower or Guarantor or of the officers, directors, partners, managers, or other agents acting or purporting to act on their behalf, and any indebtedness made or created in reliance upon the professed exercise of such powers shall be guaranteed under this Guaranty.

Notices. To the extent permitted by applicable law, any notice required to be given under this Guaranty shall be given in writing, and, except for revocation notices by Guarantor, shall be effective when actually delivered, when actually received by telefacsimile (unless otherwise required by law), when deposited with a nationally recognized overnight courier, or, if mailed, when deposited in the United States mail, as first class, certified or registered mail postage prepaid, directed to the addresses shown near the beginning of this Guaranty. All revocation notices by Guarantor shall be in writing and shall be effective upon delivery to Lender as provided in the section of this Guaranty entitled "DURATION OF GUARANTY." Any party may change its address for notices under this Guaranty by giving formal written notice to the other parties, specifying that the purpose of the notice is to change the party's address. For notice purposes, Guarantor agrees to keep Lender informed at all times of Guarantor's current address. To the extent permitted by applicable law, if there is more than one Guarantor, any notice given by Lender to any Guarantor is deemed to be notice given to all Guarantors.

No Waiver by Lender. Lender shall not be deemed to have waived any rights under this Guaranty unless such waiver is given in writing and

signed by Lender. No delay or omission on the part of Lender in exercising any right shall operate as a waiver of such right or any other right. A waiver by Lender of a provision of this Guaranty shall not prejudice or constitute a waiver of Lender's right otherwise to demand strict compliance with that provision or any other provision of this Guaranty. No prior waiver by Lender, nor any course of dealing between Lender and Guarantor, shall constitute a waiver of any of Lender's rights or of any of Guarantor's obligations as to any future transactions. Whenever the consent of Lender is required under this Guaranty, the granting of such consent by Lender in any instance shall not constitute continuing consent to subsequent instances where such consent is required and in all cases such consent may be granted or withheld in the sole discretion of Lender.

Successors and Assigns. Subject to any limitations stated in this Guaranty on transfer of Guarantor's interest, this Guaranty shall be binding upon and inure to the benefit of the parties, their successors and assigns.

ADDITIONAL WAIVER. I expressly waive any and all requirements and defenses provided under Title 12 O.S. State Statute 686, and any and all other applicable statutes now enacted or anytime hereafter enacted or amended, requiring Lender to obtain a deficiency judgment against the Borrower or Guarantor in any court proceeding, as I agree to be fully and unconditionally liable to Lender, regardless of the value of the collateral pledged or mortgaged to secure Borrower's debt, if any. **ADDITIONAL EXPRESS WAIVERS.** In addition, and not by way of limitation, to Guarantor's waivers as set forth above. Guarantor hereby expressly waives and agrees to not assert (a) the benefit of any statute of limitations affecting Guarantor's liability hereunder or the enforcement of the same, (b) the benefits of any statutory provision limiting the liability of a surety, including without limitation, the provisions of Sections 334, 337, 338 and 344 of Title 15 of the Oklahoma Statutes and any and all other Oklahoma Statutes involving surety's and/or surety-ship rights and benefits, all as now enacted or as may at anytime hereafter be enacted or amended, (c) the benefits of any statutory provision limiting any rights of the Lender in any foreclosure or sheriff's sale or trustee's sale of any security or collateral for the Indebtedness, including without limitation, waiving any and all rights to setoff or a claim to credit for the fair market value of the collateral sold, all as provided in Section 686 of Title 12 of the Oklahoma Statutes, as now enacted or anytime hereafter enacted or amended.

DEFINITIONS. The following capitalized words and terms shall have the following meanings when used in this Guaranty. Unless specifically stated to the contrary, all references to dollar amounts shall mean amounts in lawful money of the United States of America. Words and terms used in the singular shall include the plural, and the plural shall include the singular, as the context may require. Words and terms not otherwise defined in this Guaranty shall have the meanings attributed to such terms in the Uniform Commercial Code:

Borrower. The word "Borrower" means MIDTOWN BUILDERS, LLC and includes all co-signers and co-makers signing the Note and all their successors and assigns.

Guarantor. The word "Guarantor" means everyone signing this Guaranty, including without limitation MARVA ELLARD, and in each case, any signer's successors and assigns.

Guaranty. The word "Guaranty" means this guaranty from Guarantor to Lender.

Indebtedness. The word "Indebtedness" means Borrower's indebtedness to Lender as more particularly described in this Guaranty.

Lender. The word "Lender" means QUAIL CREEK BANK, N.A., its successors and assigns.

Note. The word "Note" means and includes without limitation all of Borrower's promissory notes and/or credit agreements evidencing Borrower's loan obligations in favor of Lender, together with all renewals of, extensions of, modifications of, refinancings of, consolidations of and substitutions for promissory notes or credit agreements.

Related Documents. The words "Related Documents" mean all promissory notes, credit agreements, loan agreements, environmental agreements, guaranties, security agreements, mortgages, deeds of trust, security deeds, collateral mortgages, and all other instruments, agreements and documents, whether now or hereafter existing, executed in connection with the Indebtedness.

EACH UNDERSIGNED GUARANTOR ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS GUARANTY AND AGREES TO ITS TERMS. IN ADDITION, EACH GUARANTOR UNDERSTANDS THAT THIS GUARANTY IS EFFECTIVE UPON GUARANTOR'S EXECUTION AND DELIVERY OF THIS GUARANTY TO LENDER AND THAT THE GUARANTY WILL CONTINUE UNTIL TERMINATED IN THE MANNER SET FORTH IN THE SECTION TITLED "DURATION OF GUARANTY". NO FORMAL ACCEPTANCE BY LENDER IS NECESSARY TO MAKE THIS GUARANTY EFFECTIVE. THIS GUARANTY IS DATED JANUARY 27, 2017.

GUARANTOR:

X _____
MARVA ELLARD



00000000000204400023501272017



Quail Creek Bank, n.a.

COMMERCIAL SECURITY AGREEMENT

Principal	Loan Date	Maturity	Loan No	Call / Coll	Account	Officer	Initials
\$1,326,165.17	01-27-2017	01-27-2018	204400	165 / 30		JM	
References in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item. Any item above containing "****" has been omitted due to text length limitations.							

Grantor: MIDTOWN BUILDERS, LLC
616 NW 21ST STREET
OKLAHOMA CITY, OK 73103

Lender: QUAIL CREEK BANK, N.A.
P.O. BOX 20160
OKLAHOMA CITY, OK 73156

THIS COMMERCIAL SECURITY AGREEMENT dated January 27, 2017, is made and executed between MIDTOWN BUILDERS, LLC ("Grantor") and QUAIL CREEK BANK, N.A. ("Lender").

GRANT OF SECURITY INTEREST. For valuable consideration, Grantor grants to Lender a security interest in the Collateral to secure the Indebtedness and agrees that Lender shall have the rights stated in this Agreement with respect to the Collateral, in addition to all other rights which Lender may have by law.

COLLATERAL DESCRIPTION. The word "Collateral" as used in this Agreement means the following described property, whether now owned or hereafter acquired, whether now existing or hereafter arising, and wherever located, in which Grantor is giving to Lender a security interest for the payment of the Indebtedness and performance of all other obligations under the Note and this Agreement:

Assignment of Rents and Leases on property located at 620 NW 21st Street, Oklahoma City, OK 73103 a/k/a Lots Three (3), Four (4), Five (5), Six (6), Seven (7) and Eight (8), Block Thirty (30), University Addition, according to the recorded plat thereof; whether any of the foregoing is owned now or acquired later; all accessions, additions, replacements, and substitutions relating to any of the foregoing; all records of any kind relating to any of the foregoing

All Net "Proceeds" from the Oklahoma Historic Tax Credit Sale to be sold and applied at occupancy by Midtown Builders, LLC; whether any of the foregoing is owned now or acquired later; all accessions, additions, replacements, and substitutions relating to any of the foregoing; all records of any kind relating to any of the foregoing

In addition, the word "Collateral" also includes all the following, whether now owned or hereafter acquired, whether now existing or hereafter arising, and wherever located:

- (A) All accessions, attachments, accessories, tools, parts, supplies, replacements of and additions to any of the collateral described herein, whether added now or later.
- (B) All products and produce of any of the property described in this Collateral section.
- (C) All accounts, general intangibles, instruments, rents, monies, payments, and all other rights, arising out of a sale, lease, consignment or other disposition of any of the property described in this Collateral section.
- (D) All proceeds (including insurance proceeds) from the sale, destruction, loss, or other disposition of any of the property described in this Collateral section, and sums due from a third party who has damaged or destroyed the Collateral or from that party's insurer, whether due to judgment, settlement or other process.
- (E) All records and data relating to any of the property described in this Collateral section, whether in the form of a writing, photograph, microfilm, microfiche, or electronic media, together with all of Grantor's right, title, and interest in and to all computer software required to utilize, create, maintain, and process any such records or data on electronic media.

CROSS-COLLATERALIZATION. In addition to the Note, this Agreement secures all obligations, debts and liabilities, plus interest thereon, of Grantor to Lender, or any one or more of them, as well as all claims by Lender against Grantor or any one or more of them, owed to Lender, whether of a like nature to the Note Indebtedness or not, whether arising from a loan or a purchased obligation, whether incurred for a consumer or a business purpose, whether now existing or hereafter arising, whether related or unrelated to the purpose of the Note, whether voluntary or otherwise, whether due or not due, direct or indirect, determined or undetermined, absolute or contingent, liquidated or unliquidated, whether Grantor may be liable individually or jointly with others, whether obligated as guarantor, surety, accommodation party or otherwise, and whether recovery upon such amounts may be or hereafter may become barred by any statute of limitations, and whether the obligation to repay such amounts may be or hereafter may become otherwise unenforceable.

FUTURE ADVANCES. In addition to the Note, this Agreement secures all future advances made by Lender to Grantor regardless of whether the advances are made a) pursuant to a commitment or b) for the same purposes.

RIGHT OF SETOFF. To the extent permitted by applicable law, Lender reserves a right of setoff in all Grantor's accounts with Lender (whether checking, savings, or some other account). This includes all accounts Grantor holds jointly with someone else and all accounts Grantor may open in the future. However, this does not include any IRA or Keogh accounts, or any trust accounts for which setoff would be prohibited by law. Grantor authorizes Lender, to the extent permitted by applicable law, to charge or setoff all sums owing on the Indebtedness against any and all such accounts.

GRANTOR'S REPRESENTATIONS AND WARRANTIES WITH RESPECT TO THE COLLATERAL. With respect to the Collateral, Grantor represents and promises to Lender that:

Perfection of Security Interest. Grantor agrees to take whatever actions are requested by Lender to perfect and continue Lender's security interest in the Collateral. Upon request of Lender, Grantor will deliver to Lender any and all of the documents evidencing or constituting the Collateral, and Grantor will note Lender's interest upon any and all chattel paper and instruments if not delivered to Lender for possession by Lender. This is a continuing Security Agreement and will continue in effect even though all or any part of the Indebtedness is paid in full and even though for a period of time Grantor may not be indebted to Lender.

Notices to Lender. Grantor will promptly notify Lender in writing at Lender's address shown above (or such other addresses as Lender may designate from time to time) prior to any (1) change in Grantor's name; (2) change in Grantor's assumed business name(s); (3) change in the management or in the members or managers of the limited liability company Grantor; (4) change in the authorized signer(s); (5) change in Grantor's principal office address; (6) change in Grantor's state of organization; (7) conversion of Grantor to a new or different type of business entity; or (8) change in any other aspect of Grantor that directly or indirectly relates to any agreements between Grantor and Lender. No change in Grantor's name or state of organization will take effect until after Lender has received notice.

No Violation. The execution and delivery of this Agreement will not violate any law or agreement governing Grantor or to which Grantor is a party, and its membership agreement does not prohibit any term or condition of this Agreement.

Enforceability of Collateral. To the extent the Collateral consists of accounts, chattel paper, or general intangibles, as defined by the Uniform Commercial Code, the Collateral is enforceable in accordance with its terms, is genuine, and fully complies with all applicable laws and regulations concerning form, content and manner of preparation and execution, and all persons appearing to be obligated on the Collateral have authority and capacity to contract and are in fact obligated as they appear to be on the Collateral. There shall be no setoffs or counterclaims against any of the Collateral, and no agreement shall have been made under which any deductions or discounts may be claimed concerning the Collateral except those disclosed to Lender in writing.

Location of the Collateral. Except in the ordinary course of Grantor's business, Grantor agrees to keep the Collateral at Grantor's address shown above or at such other locations as are acceptable to Lender. Upon Lender's request, Grantor will deliver to Lender in form satisfactory to Lender a schedule of real properties and Collateral locations relating to Grantor's operations, including without limitation the following: (1) all real property Grantor owns or is purchasing; (2) all real property Grantor is renting or leasing; (3) all storage facilities Grantor owns, rents, leases, or uses; and (4) all other properties where Collateral is or may be located.

**COMMERCIAL SECURITY AGREEMENT
(Continued)**

Loan No: 204400

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Removal of the Collateral. Except in the ordinary course of Grantor's business, including the sales of inventory, Grantor shall not remove the Collateral from its existing location without Lender's prior written consent. To the extent that the Collateral consists of vehicles, or other titled property, Grantor shall not take or permit any action which would require application for certificates of title for the vehicles outside the State of Oklahoma, without Lender's prior written consent. Grantor shall, whenever requested, advise Lender of the exact location of the Collateral.

Transactions Involving Collateral. Except for inventory sold or accounts collected in the ordinary course of Grantor's business, or as otherwise provided for in this Agreement, Grantor shall not sell, offer to sell, or otherwise transfer or dispose of the Collateral. While Grantor is not in default under this Agreement, Grantor may sell inventory, but only in the ordinary course of its business and only to buyers who qualify as a buyer in the ordinary course of business. A sale in the ordinary course of Grantor's business does not include a transfer in partial or total satisfaction of a debt or any bulk sale. Grantor shall not pledge, mortgage, encumber or otherwise permit the Collateral to be subject to any lien, security interest, encumbrance, or charge, other than the security interest provided for in this Agreement, without the prior written consent of Lender. This includes security interests even if junior in right to the security interests granted under this Agreement. Unless waived by Lender, all proceeds from any disposition of the Collateral (for whatever reason) shall be held in trust for Lender and shall not be commingled with any other funds; provided however, this requirement shall not constitute consent by Lender to any sale or other disposition. Upon receipt, Grantor shall immediately deliver any such proceeds to Lender.

Title. Grantor represents and warrants to Lender that Grantor holds good and marketable title to the Collateral, free and clear of all liens and encumbrances except for the lien of this Agreement. No financing statement covering any of the Collateral is on file in any public office other than those which reflect the security interest created by this Agreement or to which Lender has specifically consented. Grantor shall defend Lender's rights in the Collateral against the claims and demands of all other persons.

Repairs and Maintenance. Grantor agrees to keep and maintain, and to cause others to keep and maintain, the Collateral in good order, repair and condition at all times while this Agreement remains in effect. Grantor further agrees to pay when due all claims for work done on, or services rendered or material furnished in connection with the Collateral so that no lien or encumbrance may ever attach to or be filed against the Collateral.

Inspection of Collateral. Lender and Lender's designated representatives and agents shall have the right at all reasonable times to examine and inspect the Collateral wherever located.

Taxes, Assessments and Liens. Grantor will pay when due all taxes, assessments and liens upon the Collateral, its use or operation, upon this Agreement, upon any promissory note or notes evidencing the Indebtedness, or upon any of the other Related Documents. Grantor may withhold any such payment or may elect to contest any lien if Grantor is in good faith conducting an appropriate proceeding to contest the obligation to pay and so long as Lender's interest in the Collateral is not jeopardized in Lender's sole opinion. If the Collateral is subjected to a lien which is not discharged within fifteen (15) days, Grantor shall deposit with Lender cash, a sufficient corporate surety bond or other security satisfactory to Lender in an amount adequate to provide for the discharge of the lien plus any interest, costs, attorneys' fees or other charges that could accrue as a result of foreclosure or sale of the Collateral. In any contest Grantor shall defend itself and Lender and shall satisfy any final adverse judgment before enforcement against the Collateral. Grantor shall name Lender as an additional obligee under any surety bond furnished in the contest proceedings. Grantor further agrees to furnish Lender with evidence that such taxes, assessments, and governmental and other charges have been paid in full and in a timely manner. Grantor may withhold any such payment or may elect to contest any lien if Grantor is in good faith conducting an appropriate proceeding to contest the obligation to pay and so long as Lender's interest in the Collateral is not jeopardized.

Compliance with Governmental Requirements. Grantor shall comply promptly with all laws, ordinances, rules and regulations of all governmental authorities, now or hereafter in effect, applicable to the ownership, production, disposition, or use of the Collateral, including all laws or regulations relating to the undue erosion of highly erodible land or relating to the conversion of wetlands for the production of an agricultural product or commodity. Grantor may contest in good faith any such law, ordinance or regulation and withhold compliance during any proceeding, including appropriate appeals, so long as Lender's interest in the Collateral, in Lender's opinion, is not jeopardized.

Hazardous Substances. Grantor represents and warrants that the Collateral never has been, and never will be so long as this Agreement remains a lien on the Collateral, used in violation of any Environmental Laws or for the generation, manufacture, storage, transportation, treatment, disposal, release or threatened release of any Hazardous Substance. The representations and warranties contained herein are based on Grantor's due diligence in investigating the Collateral for Hazardous Substances. Grantor hereby (1) releases and waives any future claims against Lender for indemnity or contribution in the event Grantor becomes liable for cleanup or other costs under any Environmental Laws, and (2) agrees to indemnify, defend, and hold harmless Lender against any and all claims and losses resulting from a breach of this provision of this Agreement. This obligation to indemnify and defend shall survive the payment of the Indebtedness and the satisfaction of this Agreement.

Maintenance of Casualty Insurance. Grantor shall procure and maintain all risks insurance, including without limitation fire, theft and liability coverage together with such other insurance as Lender may require with respect to the Collateral, in form, amounts, coverages and basis reasonably acceptable to Lender and issued by a company or companies reasonably acceptable to Lender. Grantor, upon request of Lender, will deliver to Lender from time to time the policies or certificates of insurance in form satisfactory to Lender, including stipulations that coverages will not be cancelled or diminished without at least thirty (30) days' prior written notice to Lender and not including any disclaimer of the insurer's liability for failure to give such a notice. Each insurance policy also shall include an endorsement providing that coverage in favor of Lender will not be impaired in any way by any act, omission or default of Grantor or any other person. In connection with all policies covering assets in which Lender holds or is offered a security interest, Grantor will provide Lender with such loss payable or other endorsements as Lender may require. If Grantor at any time fails to obtain or maintain any insurance as required under this Agreement, Lender may (but shall not be obligated to) obtain such insurance as Lender deems appropriate, including if Lender so chooses "single interest insurance," which will cover only Lender's interest in the Collateral.

Application of Insurance Proceeds. Grantor shall promptly notify Lender of any loss or damage to the Collateral if the estimated cost of repair or replacement exceeds \$100.00, whether or not such casualty or loss is covered by insurance. Lender may make proof of loss if Grantor fails to do so within fifteen (15) days of the casualty. All proceeds of any insurance on the Collateral, including accrued proceeds thereon, shall be held by Lender as part of the Collateral. If Lender consents to repair or replacement of the damaged or destroyed Collateral, Lender shall, upon satisfactory proof of expenditure, pay or reimburse Grantor from the proceeds for the reasonable cost of repair or restoration. If Lender does not consent to repair or replacement of the Collateral, Lender shall retain a sufficient amount of the proceeds to pay all of the Indebtedness, and shall pay the balance to Grantor. Any proceeds which have not been disbursed within six (6) months after their receipt and which Grantor has not committed to the repair or restoration of the Collateral shall be used to prepay the Indebtedness.

Insurance Reserves. Lender may require Grantor to maintain with Lender reserves for payment of insurance premiums, which reserves shall be created by monthly payments from Grantor of a sum estimated by Lender to be sufficient to produce, at least fifteen (15) days before the premium due date, amounts at least equal to the insurance premiums to be paid. If fifteen (15) days before payment is due, the reserve funds are insufficient, Grantor shall upon demand pay any deficiency to Lender. The reserve funds shall be held by Lender as a general deposit and shall constitute a non-interest-bearing account which Lender may satisfy by payment of the insurance premiums required to be paid by Grantor as they become due. Lender does not hold the reserve funds in trust for Grantor, and Lender is not the agent of Grantor for payment of the insurance premiums required to be paid by Grantor. The responsibility for the payment of premiums shall remain Grantor's sole responsibility.

Insurance Reports. Grantor, upon request of Lender, shall furnish to Lender reports on each existing policy of insurance showing such information as Lender may reasonably request including the following: (1) the name of the insurer; (2) the risks insured; (3) the amount of the policy; (4) the property insured; (5) the then current value on the basis of which insurance has been obtained and the manner of determining that value; and (6) the expiration date of the policy. In addition, Grantor shall upon request by Lender (however not more often than annually) have an independent appraiser satisfactory to Lender determine, as applicable, the cash value or replacement cost of the Collateral.

Financing Statements. Grantor authorizes Lender to file a UCC financing statement, or alternatively, a copy of this Agreement to perfect Lender's security interest. At Lender's request, Grantor additionally agrees to sign all other documents that are necessary to perfect, protect, and continue Lender's security interest in the Property. This includes making sure Lender is shown as the first and only security interest holder on the title covering the Property. Grantor will pay all filing fees, title transfer fees, and other fees and costs involved unless prohibited by law or unless Lender is required by law to pay such fees and costs. Grantor irrevocably appoints Lender to execute lien entry forms and documents necessary to transfer title if there is a default. Lender may file a copy of this Agreement as a financing statement. Grantor will promptly notify Lender of any change to Grantor's name or the name of any individual Grantor, any individual who is a partner for a Grantor, and any individual who is a trustee or settlor or trustor for a Grantor under this Agreement. Grantor will also promptly notify Lender of any change to the name that appears on the most recently issued, unexpired driver's license or state-issued identification card, any expiration of the most recently issued driver's license or state-issued identification card for Grantor or any individual for whom Grantor is required to provide notice regarding name changes.

GRANTOR'S RIGHT TO POSSESSION. Until default, Grantor may have possession of the tangible personal property and beneficial use of all the

**COMMERCIAL SECURITY AGREEMENT
(Continued)**

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Collateral and may use it in any lawful manner not inconsistent with this Agreement or the Related Documents, provided that Grantor's right to possession and beneficial use shall not apply to any Collateral where possession of the Collateral by Lender is required by law to perfect Lender's security interest in such Collateral. If Lender at any time has possession of any Collateral, whether before or after an Event of Default, Lender shall be deemed to have exercised reasonable care in the custody and preservation of the Collateral if Lender takes such action for that purpose as Grantor shall request or as Lender, in Lender's sole discretion, shall deem appropriate under the circumstances, but failure to honor any request by Grantor shall not of itself be deemed to be a failure to exercise reasonable care. Lender shall not be required to take any steps necessary to preserve any rights in the Collateral against prior parties, nor to protect, preserve or maintain any security interest given to secure the Indebtedness.

LENDER'S EXPENDITURES. If any action or proceeding is commenced that would materially affect Lender's interest in the Collateral or if Grantor fails to comply with any provision of this Agreement or any Related Documents, including but not limited to Grantor's failure to discharge or pay when due any amounts Grantor is required to discharge or pay under this Agreement or any Related Documents, Lender on Grantor's behalf may (but shall not be obligated to) take any action that Lender deems appropriate, including but not limited to discharging or paying all taxes, liens, security interests, encumbrances and other claims, at any time levied or placed on the Collateral and paying all costs for insuring, maintaining and preserving the Collateral. All such expenditures incurred or paid by Lender for such purposes will then bear interest at the rate charged under the Note or at the highest rate authorized by law, from the date incurred or paid by Lender to the date of repayment by Grantor. All such expenses will become a part of the Indebtedness and, at Lender's option, will (A) be payable on demand; (B) be added to the balance of the Note and be apportioned among and be payable with any installment payments to become due during either (1) the term of any applicable insurance policy; or (2) the remaining term of the Note; or (C) be treated as a balloon payment which will be due and payable at the Note's maturity. The Agreement also will secure payment of these amounts. Such right shall be in addition to all other rights and remedies to which Lender may be entitled upon Default. If Lender is required by law to give Grantor notice before or after Lender makes an expenditure, Grantor agrees that notice sent by regular mail at least five (5) days before the expenditure is made or notice delivered two (2) days before the expenditure is made is sufficient, and that notice within sixty (60) days after the expenditure is made is reasonable.

DEFAULT. Each of the following shall constitute an Event of Default under this Agreement:

Payment Default. Grantor fails to make any payment when due under the Indebtedness.

Other Defaults. Grantor fails to comply with or to perform any other term, obligation, covenant or condition contained in this Agreement or in any of the Related Documents or to comply with or to perform any term, obligation, covenant or condition contained in any other agreement between Lender and Grantor.

False Statements. Any warranty, representation or statement made or furnished to Lender by Grantor or on Grantor's behalf under this Agreement or the Related Documents is false or misleading in any material respect, either now or at the time made or furnished or becomes false or misleading at any time thereafter.

Defective Collateralization. This Agreement or any of the Related Documents ceases to be in full force and effect (including failure of any collateral document to create a valid and perfected security interest or lien) at any time and for any reason.

Insolvency. The dissolution of Grantor (regardless of whether election to continue is made), any member withdraws from the limited liability company, or any other termination of Grantor's existence as a going business or the death of any member, the insolvency of Grantor, the appointment of a receiver for any part of Grantor's property, any assignment for the benefit of creditors, any type of creditor workout, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against Grantor.

Creditor or Forfeiture Proceedings. Commencement of foreclosure or forfeiture proceedings, whether by judicial proceeding, self-help, repossession or any other method, by any creditor of Grantor or by any governmental agency against any collateral securing the Indebtedness. This includes a garnishment of any of Grantor's accounts, including deposit accounts, with Lender. However, this Event of Default shall not apply if there is a good faith dispute by Grantor as to the validity or reasonableness of the claim which is the basis of the creditor or forfeiture proceeding and if Grantor gives Lender written notice of the creditor or forfeiture proceeding and deposits with Lender monies or a surety bond for the creditor or forfeiture proceeding, in an amount determined by Lender, in its sole discretion, as being an adequate reserve or bond for the dispute.

Events Affecting Guarantor. Any of the preceding events occurs with respect to any Guarantor of any of the Indebtedness or Guarantor dies or becomes incompetent or revokes or disputes the validity of, or liability under, any Guaranty of the Indebtedness.

Adverse Change. A material adverse change occurs in Grantor's financial condition, or Lender believes the prospect of payment or performance of the Indebtedness is impaired.

Insecurity. Lender in good faith believes itself insecure.

Cure Provisions. If any default, other than a default in payment, is curable and if Grantor has not been given a notice of a breach of the same provision of this Agreement within the preceding twelve (12) months, it may be cured if Grantor, after Lender sends written notice to Grantor demanding cure of such default: (1) cures the default within fifteen (15) days; or (2) if the cure requires more than fifteen (15) days, immediately initiates steps which Lender deems in Lender's sole discretion to be sufficient to cure the default and thereafter continues and completes all reasonable and necessary steps sufficient to produce compliance as soon as reasonably practical.

RIGHTS AND REMEDIES ON DEFAULT. If an Event of Default occurs under this Agreement, at any time thereafter, Lender shall have all the rights of a secured party under the Oklahoma Uniform Commercial Code. In addition and without limitation, Lender may exercise any one or more of the following rights and remedies:

Accelerate Indebtedness. Lender may declare the entire Indebtedness, including any prepayment penalty which Grantor would be required to pay, immediately due and payable, without notice of any kind to Grantor.

Assemble Collateral. Lender may require Grantor to deliver to Lender all or any portion of the Collateral and any and all certificates of title and other documents relating to the Collateral. Lender may require Grantor to assemble the Collateral and make it available to Lender at a place to be designated by Lender. Lender also shall have full power to enter upon the property of Grantor to take possession of and remove the Collateral. If the Collateral contains other goods not covered by this Agreement at the time of repossession, Grantor agrees Lender may take such other goods, provided that Lender makes reasonable efforts to return them to Grantor after repossession.

Sell the Collateral. Lender shall have full power to sell, lease, transfer, or otherwise dispose of the Collateral. Unless the Collateral in whole or in part is perishable or threatens to decline speedily in value or is of a type customarily sold on a recognized market, Lender will give Grantor, and other persons as required by law, reasonable notice of the time and place of any public sale, or of the time after which any private sale or other disposition is to be made. Notwithstanding any other provision of this Agreement, any requirement of notice for this purpose shall be met if notice is provided at least ten (10) days before sale or other disposition or action. Lender shall be entitled to, and Grantor shall be liable for, all reasonable costs and expenditures incurred in realizing on Lender's security interest, including without limitation, all court costs, fees for sale, selling costs and reasonable attorneys' fees as set forth in the Note or in this Agreement. All such costs shall be secured by the security interest in the Collateral covered by this Agreement.

Appoint Receiver. In any action by Lender for the foreclosure of this Agreement, whether by judicial foreclosure or power of sale, Lender shall be entitled to the appointment of a receiver upon any failure of Grantor to comply with any term, obligation, covenant, or condition contained in this Agreement, the Note, or any Related Documents.

Collect Revenues, Apply Accounts. Lender, either itself or through a receiver, may collect the payments, rents, income, and revenues from the Collateral. Lender may at any time in Lender's discretion transfer any Collateral into Lender's own name or that of Lender's nominee and receive the payments, rents, income, and revenues therefrom and hold the same as security for the Indebtedness or apply it to payment of the Indebtedness in such order of preference as Lender may determine. Insofar as the Collateral consists of accounts, general intangibles, insurance policies, instruments, chattel paper, choses in action, or similar property, Lender may demand, collect, receipt for, settle, compromise, adjust, sue for, foreclose, or realize on the Collateral as Lender may determine, whether or not Indebtedness or Collateral is then due. For these purposes, Lender may, on behalf of and in the name of Grantor, receive, open and dispose of mail addressed to Grantor; change any address to which mail and payments are to be sent; and endorse notes, checks, drafts, money orders, documents of title, instruments and items pertaining to payment, shipment, or storage of any Collateral. To facilitate collection, Lender may notify account debtors and obligors on any Collateral to make payments directly to Lender.

Obtain Deficiency. If Lender chooses to sell any or all of the Collateral, Lender may obtain a judgment against Grantor for any deficiency remaining on the Indebtedness due to Lender after application of all amounts received from the exercise of the rights provided in this Agreement. Grantor shall be liable for a deficiency even if the transaction described in this subsection is a sale of accounts or chattel paper.

Other Rights and Remedies. Lender shall have all the rights and remedies of a secured creditor under the provisions of the Uniform Commercial Code, as may be amended from time to time. In addition, Lender shall have and may exercise any or all other rights and remedies it may have available at law, in equity, or otherwise.

Election of Remedies. Except as may be prohibited by applicable law, all of Lender's rights and remedies, whether evidenced by this

**COMMERCIAL SECURITY AGREEMENT
(Continued)**

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Agreement, the Related Documents, or by any other writing, shall be cumulative and may be exercised singularly or concurrently. Election by Lender to pursue any remedy shall not exclude pursuit of any other remedy, and an election to make expenditures or to take action to perform an obligation of Grantor under this Agreement, after Grantor's failure to perform, shall not affect Lender's right to declare a default and exercise its remedies.

CROSS-COLLATERALIZATION. Indebtedness includes any obligation which Grantor owes to Lender, whether direct, indirect, contingent or otherwise.

MISCELLANEOUS PROVISIONS. The following miscellaneous provisions are a part of this Agreement:

Amendments. This Agreement, together with any Related Documents, constitutes the entire understanding and agreement of the parties as to the matters set forth in this Agreement. All prior and contemporaneous representations and discussions concerning such matters either are included in this document or do not constitute an aspect of the agreement of the parties. Except as may be specifically set forth in this Agreement, no conditions precedent or subsequent, of any kind whatsoever, exist with respect to Grantor's obligations under this Agreement. No alteration of or amendment to this Agreement shall be effective unless given in writing and signed by the party or parties sought to be charged or bound by the alteration or amendment.

Attorneys' Fees; Expenses. Grantor agrees to pay upon demand all of Lender's costs and expenses, including Lender's attorneys' fees and Lender's legal expenses, incurred in connection with the enforcement of this Agreement. Lender may hire or pay someone else to help enforce this Agreement, and Grantor shall pay the costs and expenses of such enforcement. Costs and expenses include Lender's attorneys' fees and legal expenses whether or not there is a lawsuit, including attorneys' fees and legal expenses for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), appeals, and any anticipated post-judgment collection services. Grantor also shall pay all court costs and such additional fees as may be directed by the court.

Caption Headings. Caption headings in this Agreement are for convenience purposes only and are not to be used to interpret or define the provisions of this Agreement.

Governing Law. This Agreement will be governed by federal law applicable to Lender and, to the extent not preempted by federal law, the laws of the State of Oklahoma without regard to its conflicts of law provisions. This Agreement has been accepted by Lender in the State of Oklahoma.

No Waiver by Lender. Lender shall not be deemed to have waived any rights under this Agreement unless such waiver is given in writing and signed by Lender. No delay or omission on the part of Lender in exercising any right shall operate as a waiver of such right or any other right. A waiver by Lender of a provision of this Agreement shall not prejudice or constitute a waiver of Lender's right otherwise to demand strict compliance with that provision or any other provision of this Agreement. No prior waiver by Lender, nor any course of dealing between Lender and Grantor, shall constitute a waiver of any of Lender's rights or of any of Grantor's obligations as to any future transactions. Whenever the consent of Lender is required under this Agreement, the granting of such consent by Lender in any instance shall not constitute continuing consent to subsequent instances where such consent is required and in all cases such consent may be granted or withheld in the sole discretion of Lender.

Notices. To the extent permitted by applicable law, any notice required to be given under this Agreement shall be given in writing, and shall be effective when actually delivered, when actually received by telefacsimile (unless otherwise required by law), when deposited with a nationally recognized overnight courier, or, if mailed, when deposited in the United States mail, as first class, certified or registered mail postage prepaid, directed to the addresses shown near the beginning of this Agreement. Any party may change its address for notices under this Agreement by giving formal written notice to the other parties, specifying that the purpose of the notice is to change the party's address. For notice purposes, Grantor agrees to keep Lender informed at all times of Grantor's current address. To the extent permitted by applicable law, if there is more than one Grantor, any notice given by Lender to any Grantor is deemed to be notice given to all Grantors.

Power of Attorney. Grantor hereby appoints Lender as Grantor's irrevocable attorney-in-fact for the purpose of executing any documents necessary to perfect, amend, or to continue the security interest granted in this Agreement or to demand termination of filings of other secured parties. Lender may at any time, and without further authorization from Grantor, file a carbon, photographic or other reproduction of any financing statement or of this Agreement for use as a financing statement. Grantor will reimburse Lender for all expenses for the perfection and the continuation of the perfection of Lender's security interest in the Collateral.

Severability. If a court of competent jurisdiction finds any provision of this Agreement to be illegal, invalid, or unenforceable as to any circumstance, that finding shall not make the offending provision illegal, invalid, or unenforceable as to any other circumstance. If feasible, the offending provision shall be considered modified so that it becomes legal, valid and enforceable. If the offending provision cannot be so modified, it shall be considered deleted from this Agreement. Unless otherwise required by law, the illegality, invalidity, or unenforceability of any provision of this Agreement shall not affect the legality, validity or enforceability of any other provision of this Agreement.

Successors and Assigns. Subject to any limitations stated in this Agreement on transfer of Grantor's interest, this Agreement shall be binding upon and inure to the benefit of the parties, their successors and assigns. If ownership of the Collateral becomes vested in a person other than Grantor, Lender, without notice to Grantor, may deal with Grantor's successors with reference to this Agreement and the Indebtedness by way of forbearance or extension without releasing Grantor from the obligations of this Agreement or liability under the Indebtedness.

Survival of Representations and Warranties. All representations, warranties, and agreements made by Grantor in this Agreement shall survive the execution and delivery of this Agreement, shall be continuing in nature, and shall remain in full force and effect until such time as Grantor's indebtedness shall be paid in full.

Time is of the Essence. Time is of the essence in the performance of this Agreement.

DEFINITIONS. The following capitalized words and terms shall have the following meanings when used in this Agreement. Unless specifically stated to the contrary, all references to dollar amounts shall mean amounts in lawful money of the United States of America. Words and terms used in the singular shall include the plural, and the plural shall include the singular, as the context may require. Words and terms not otherwise defined in this Agreement shall have the meanings attributed to such terms in the Uniform Commercial Code:

Agreement. The word "Agreement" means this Commercial Security Agreement, as this Commercial Security Agreement may be amended or modified from time to time, together with all exhibits and schedules attached to this Commercial Security Agreement from time to time.

Borrower. The word "Borrower" means MIDTOWN BUILDERS, LLC and includes all co-signers and co-makers signing the Note and all their successors and assigns.

Collateral. The word "Collateral" means all of Grantor's right, title and interest in and to all the Collateral as described in the Collateral Description section of this Agreement.

Default. The word "Default" means the Default set forth in this Agreement in the section titled "Default".

Environmental Laws. The words "Environmental Laws" mean any and all state, federal and local statutes, regulations and ordinances relating to the protection of human health or the environment, including without limitation the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended, 42 U.S.C. Section 9601, et seq. ("CERCLA"), the Superfund Amendments and Reauthorization Act of 1986, Pub. L. No. 99-499 ("SARA"), the Hazardous Materials Transportation Act, 49 U.S.C. Section 1801, et seq., the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901, et seq., or other applicable state or federal laws, rules, or regulations adopted pursuant thereto.

Event of Default. The words "Event of Default" mean any of the events of default set forth in this Agreement in the default section of this Agreement.

Grantor. The word "Grantor" means MIDTOWN BUILDERS, LLC.

Guarantor. The word "Guarantor" means any guarantor, surety, or accommodation party of any or all of the Indebtedness.

Guaranty. The word "Guaranty" means the guaranty from Guarantor to Lender, including without limitation a guaranty of all or part of the Note.

Hazardous Substances. The words "Hazardous Substances" mean materials that, because of their quantity, concentration or physical, chemical or infectious characteristics, may cause or pose a present or potential hazard to human health or the environment when improperly used, treated, stored, disposed of, generated, manufactured, transported or otherwise handled. The words "Hazardous Substances" are used in their very broadest sense and include without limitation any and all hazardous or toxic substances, materials or waste as defined by or listed under the Environmental Laws. The term "Hazardous Substances" also includes, without limitation, petroleum and petroleum by-products or any fraction thereof and asbestos.

Indebtedness. The word "Indebtedness" means the indebtedness evidenced by the Note or Related Documents, including all principal and interest together with all other indebtedness and costs and expenses for which Grantor is responsible under this Agreement or under any of the Related Documents. Specifically, without limitation, Indebtedness includes the future advances set forth in the Future Advances

provision, together with all interest thereon and all amounts that may be indirectly secured by the Cross-Collateralization provision of this Agreement.

Lender. The word "Lender" means QUAIL CREEK BANK, N.A., its successors and assigns.

Note. The word "Note" means the Note dated January 27, 2017 and executed by MIDTOWN BUILDERS, LLC in the principal amount of \$1,326,165.17, together with all renewals of, extensions of, modifications of, refinancings of, consolidations of, and substitutions for the note or credit agreement.

Property. The word "Property" means all of Grantor's right, title and interest in and to all the Property as described in the "Collateral Description" section of this Agreement.

Related Documents. The words "Related Documents" mean all promissory notes, credit agreements, loan agreements, environmental agreements, guaranties, security agreements, mortgages, deeds of trust, security deeds, collateral mortgages, and all other instruments, agreements and documents, whether now or hereafter existing, executed in connection with the Indebtedness.

GRANTOR HAS READ AND UNDERSTOOD ALL THE PROVISIONS OF THIS COMMERCIAL SECURITY AGREEMENT AND AGREES TO ITS TERMS. THIS AGREEMENT IS DATED JANUARY 27, 2017.

GRANTOR:

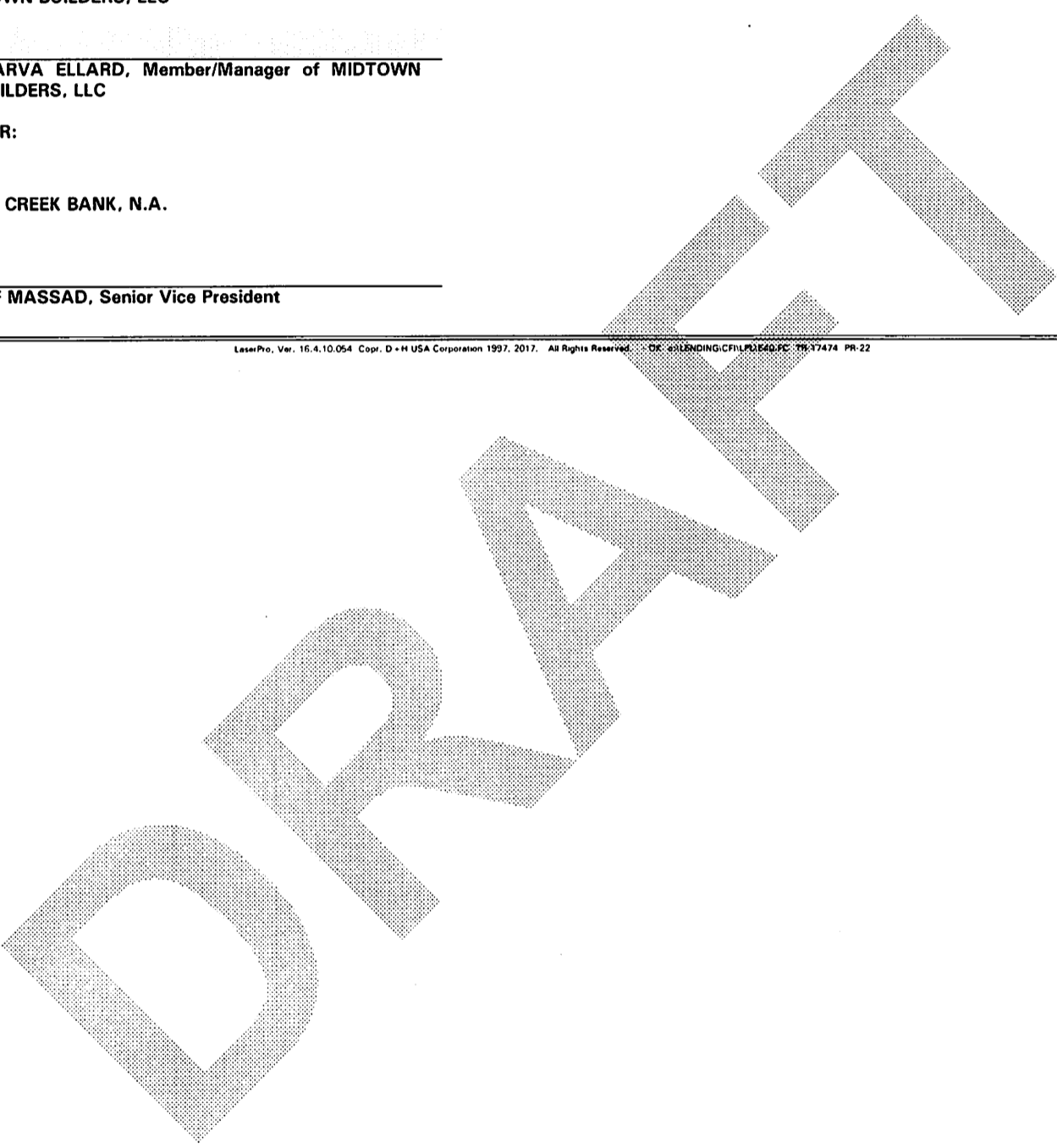
MIDTOWN BUILDERS, LLC

By: _____
MARVA ELLARD, Member/Manager of MIDTOWN BUILDERS, LLC

LENDER:

QUAIL CREEK BANK, N.A.

X _____
JEFF MASSAD, Senior Vice President





00000000000204400010501272017



Quail Creek Bank, n.a.

ASSIGNMENT OF LIFE INSURANCE POLICY AS COLLATERAL

Principal	Loan Date	Maturity	Loan No	Call / Coll	Account	Officer	Initials
\$1,326,165.17	01-27-2017	01-27-2018	204400	165 / 30		JM	

References in the boxes above are for Assignee's use only and do not limit the applicability of this document to any particular loan or item. Any item above containing "****" has been omitted due to text length limitations.

Borrower: MIDTOWN BUILDERS, LLC
616 NW 21ST STREET
OKLAHOMA CITY, OK 73103

Lender: QUAIL CREEK BANK, N.A.
P.O. BOX 20160
OKLAHOMA CITY, OK 73156

Grantor: MARVA ELLARD
1521 N SHARTEL AVENUE
OKLAHOMA CITY, OK 73103

A. For Value Received the undersigned hereby pledges, collaterally assigns, transfers, delivers and sets over to and in favor of QUAIL CREEK BANK, N.A. of P.O. BOX 20160, OKLAHOMA CITY, OK 73156, its successors and assigns, (herein called the "Assignee") Term Life Insurance Policy Number 7162469 in the amount of \$500,000.00 on the life of MARVA ELAINE ELLARD, issued by OHIO NATIONAL FINANCIAL SERVICES (herein called the "Insurer") and any supplementary contracts issued in connection therewith (said policy and contracts herein called the "Policy"), upon the life of MARVA ELAINE ELLARD, and all claims, options, privileges, rights, title and interest therein and thereunder (except as provided in Paragraph C hereof), subject to all the terms and conditions of the Policy and to all superior liens, if any, which the Insurer may have against the Policy. The undersigned by this instrument jointly and severally agree, and the Lender by the acceptance of this assignment agrees, to the conditions and provisions herein set forth.

B. It is expressly agreed that, without detracting from the generality of the foregoing, the following specific rights are included in this assignment and pass by virtue hereof:

1. The sole right to collect from the Insurer the net proceeds of the Policy when it becomes a claim by death or maturity;
2. The sole right to surrender the Policy and receive the surrender value thereof at any time provided by the terms of the Policy and at such other times as the Insurer may allow;
3. The sole right to obtain one or more loans or advances on the Policy at any time, either from the Insurer or from other persons, and to pledge or assign the Policy as security for such loans or advances;
4. The sole right to collect and receive all distributions or shares of surplus, dividend deposits or additions to the Policy, now or hereafter made or apportioned thereto, and to exercise any and all options contained in the Policy with respect thereto; provided that, unless and until the Assignee shall notify the Insurer in writing to the contrary, the distributions or shares of surplus, dividend deposits and additions shall continue on the plan in force at the time of this assignment; and
5. The sole right to exercise all nonforfeiture rights permitted by the terms of the Policy or allowed by the Insurer and to receive all benefits and advantages derived therefrom.

C. It is expressly agreed that the following specific rights, so long as the Policy has not been surrendered, are reserved and excluded from this assignment and do not pass by virtue hereof:

1. The right to collect from the Insurer any disability benefit payable in cash that does not reduce the amount of insurance;
2. The right to designate and change the beneficiary; and
3. The right to elect any optional mode of settlement permitted by the Policy or allowed by the Insurer;

however, the reservation of these rights shall in no way impair the right of the Assignee to surrender the Policy completely with all its incidents or impair any other right of the Assignee hereunder, and any designation or change of beneficiary or election of a mode of settlement shall be made subject to this assignment and to the rights of the Assignee hereunder.

D. This assignment is made and the Policy is to be held as collateral security for any and all present and future liabilities of the above referenced Borrower, or any of them, to the Assignee, of every nature and kind, whether now existing or that may hereafter arise in the ordinary course of business between any of the above referenced Borrower and the Assignee, together with interest, costs, expenses and attorneys' fees and other fees and charges (all of which liabilities secured or to become secured are herein individually, collectively and interchangeably called "Liabilities").

E. The Assignee covenants and agrees with the undersigned as follows:

1. That any balance of sums received hereunder from the Insurer remaining after payment of the then existing Liabilities, matured or unmatured, shall be paid by the Assignee to the persons who would have been entitled thereto under the terms of the Policy had this assignment not been executed;
2. That the Assignee will not exercise either the right to surrender the Policy or (except for the purpose of paying premiums) the right to obtain policy loans from the Insurer, until there has been default in any of the Liabilities or a failure to pay any premium when due, nor until twenty days after the Assignee shall have mailed, by first-class mail, to the undersigned at the address last supplied in writing to the Assignee specifically referring to this agreement, notice of intention to exercise such right; and
3. That the Assignee will upon request forward the Policy without unreasonable delay to the Insurer for endorsement of any designation or change of beneficiary or any election of an optional mode of settlement.

**ASSIGNMENT OF LIFE INSURANCE POLICY AS COLLATERAL
(Continued)**

Loan No: 204400

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F. The Insurer is hereby authorized to recognize the Assignee's claim to rights hereunder without investigating the reason for any action taken by the Assignee, or the validity or the amount of the Liabilities or the existence of any default therein, or the giving of any notice under Paragraph E(2) above or otherwise, or the application to be made by the Assignee of any amounts to be paid to the Assignee. The sole signature of the Assignee shall be sufficient for the exercise of any rights under the Policy assigned hereby and the sole receipt of the Assignee for any sums received shall be a full discharge and release therefor to the Insurer. Checks for all or any part of the sums payable under the Policy and assigned herein shall be drawn to the exclusive order of the Assignee if, when, and in such amounts, as may be requested by the Assignee.

G. The Assignee shall be under no obligation to pay any premium, or the principal of or interest on any loans or advances on the Policy whether or not obtained by the Assignee, or any other charges on the Policy, but any such amounts so paid by the Assignee from its own funds shall become a part of the Liabilities hereby secured, shall be due immediately, and shall bear interest at the lower of (a) the highest interest rate of any promissory note evidencing a liability from Borrower to Assignee or (b) the highest rate permitted by applicable law, from the date of each such advance until Assignee is repaid in full.

H. The exercise of any right, option, privilege, or power given herein to the Assignee shall be at the option of the Assignee, but (except as restricted by Paragraph E(2) above) the Assignee may exercise any such right, option, privilege, or power without notice to, or assent by, or affecting the liability of, or releasing any interest hereby assigned by, the undersigned, or any of them.

I. The Assignee may take or release other security, may release any party primarily or secondarily liable for any of the Liabilities, may grant extensions, renewals or indulgences with respect to the Liabilities, or may apply to the Liabilities in such order as the Assignee shall determine, the proceeds of the Policy assigned or any amount received on account of the Policy by the exercise of any right permitted under this assignment, without resorting or regard to other security.

J. In the event of any conflict between the provisions of this assignment and provisions of the note or other evidence of any Liability, with respect to the Policy or rights of collateral security therein, the provisions of this assignment shall prevail.

K. Each of the undersigned declares that no proceedings in bankruptcy are pending against him or her and that his or her property is not subject to any assignment for the benefit of creditors.

GOVERNING LAW. This assignment will be governed by federal law applicable to Assignee and, to the extent not preempted by federal law, the laws of the State of Oklahoma without regard to its conflicts of law provisions. This assignment has been accepted by Assignee in the State of Oklahoma.

SIGNED THIS 27TH DAY OF JANUARY, 2017.

INSURED OR OWNER:

Witness

MARVA ELLARD, Individually (L.S.)

1521 N SHARTEL AVENUE, OKLAHOMA CITY, OK 73103
Address

BENEFICIARY:

Witness

Authorized Signer (L.S.)

Address

Witness

Authorized Signer (L.S.)

Address

LENDER:

QUAIL CREEK BANK, N.A.

By: _____
JEFF MASSAD, Senior Vice President

**ASSIGNMENT OF LIFE INSURANCE POLICY AS COLLATERAL
(Continued)**

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ACKNOWLEDGMENT OF ASSIGNMENT BY INSURER

OHIO NATIONAL FINANCIAL SERVICES hereby acknowledges receipt of a duplicate of this Assignment of Life Insurance Policy Number 7162469, which has been filed at the home office of OHIO NATIONAL FINANCIAL SERVICES on this _____ Day of _____, _____.

OHIO NATIONAL FINANCIAL SERVICES

By: _____
Authorized Officer for OHIO NATIONAL FINANCIAL SERVICES

RELEASE OF ASSIGNMENT OF LIFE INSURANCE POLICY

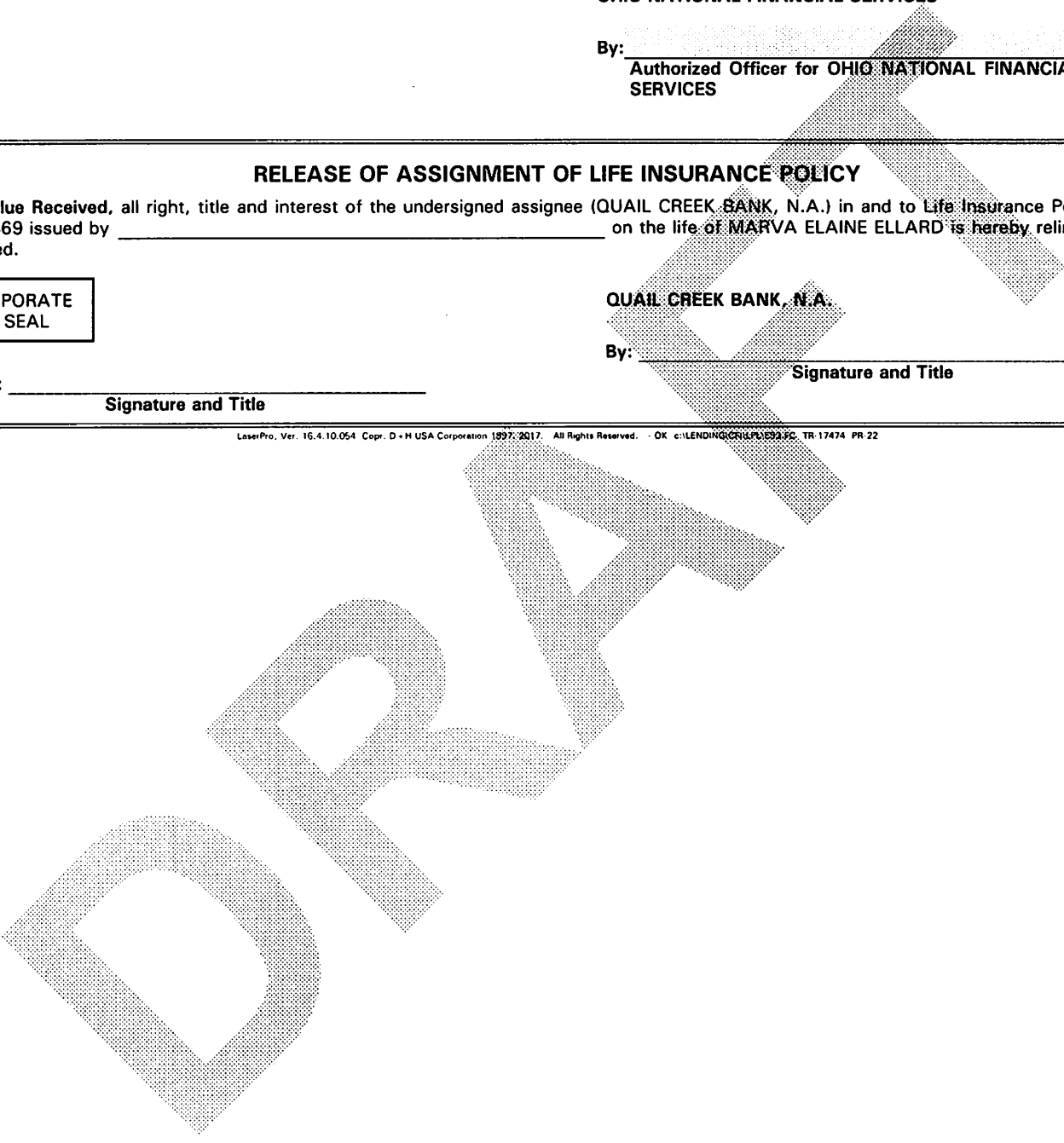
For Value Received, all right, title and interest of the undersigned assignee (QUAIL CREEK BANK, N.A.) in and to Life Insurance Policy Number 7162469 issued by _____ on the life of MARVA ELAINE ELLARD is hereby relinquished and released.

CORPORATE SEAL

QUAIL CREEK BANK, N.A.

By: _____
Signature and Title

Attest: _____
Signature and Title



RECORDATION REQUESTED BY:
QUAIL CREEK BANK, N.A.
P.O. BOX 20160
OKLAHOMA CITY, OK 73156

WHEN RECORDED MAIL TO:
QUAIL CREEK BANK, N.A.
P.O. BOX 20160
OKLAHOMA CITY, OK 73156

SEND TAX NOTICES TO:
MIDTOWN BUILDERS, LLC
616 NW 21ST STREET
OKLAHOMA CITY, OK 73103

FOR RECORDER'S USE ONLY



000000000000204400074501272017

MORTGAGE

A POWER OF SALE HAS BEEN GRANTED IN THIS MORTGAGE.

A POWER OF SALE MAY ALLOW THE MORTGAGEE TO TAKE THE MORTGAGED
PROPERTY AND SELL IT WITHOUT GOING TO COURT IN A FORECLOSURE ACTION

UPON DEFAULT BY THE MORTGAGOR UNDER THIS MORTGAGE.

THIS MORTGAGE dated January 27, 2017, is made and executed between MIDTOWN BUILDERS, LLC; AN OKLAHOMA LIMITED LIABILITY COMPANY (referred to below as "Grantor") and QUAIL CREEK BANK, N.A., whose address is P.O. BOX 20160, OKLAHOMA CITY, OK 73156 (referred to below as "Lender").

GRANT OF MORTGAGE. For valuable consideration, Grantor mortgages and conveys to Lender all of Grantor's right, title, and interest in and to the following described real property, together with all existing or subsequently erected or affixed buildings, improvements and fixtures; all easements, rights of way, and appurtenances; all water, water rights, watercourses and ditch rights (including stock in utilities with ditch or irrigation rights); and all other rights, royalties, and profits relating to the real property, including without limitation all minerals, oil, gas, geothermal and similar matters, (the "Real Property") located in OKLAHOMA County, State of Oklahoma:

Lots Three (3), Four (4), Five (5), Six (6), Seven (7) and Eight (8), Block Thirty (30), University Addition, according to the recorded plat thereof

The Real Property or its address is commonly known as 620 NW 21ST, OKLAHOMA CITY, OK 73103.

CROSS-COLLATERALIZATION. In addition to the Note, this Mortgage secures all obligations, debts and liabilities, plus interest thereon, of Grantor to Lender, or any one or more of them, as well as all claims by Lender against Grantor or any one or more of them, owed to Lender, whether of a like nature to the Note Indebtedness or not, whether arising from a loan or a purchased obligation, whether incurred for a consumer or a business purpose, whether now existing or hereafter arising, whether related or unrelated to the purpose of the Note, whether voluntary or otherwise, whether due or not due, direct or indirect, determined or undetermined, absolute or contingent, liquidated or unliquidated, whether Grantor may be liable individually or jointly with others, whether obligated as guarantor, surety, accommodation party or otherwise, and whether recovery upon such amounts may be or hereafter may become barred by any statute of limitations, and whether the obligation to repay such amounts may be or hereafter may become otherwise unenforceable.

Grantor also grants to Lender a Uniform Commercial Code security interest in the Personal Property as defined below.

ASSIGNMENT OF RENTS. In addition to the mortgaging of the Real Property to Lender, if Grantor's loan does not constitute a consumer loan as defined in 14A O.S. Section 3-104 and is not made primarily for an agricultural purpose as defined in 14A O.S. Section 1-301(4) to a natural person or to a farm or ranching business corporation as defined in 18 O.S. Section 951, Grantor hereby grants to Lender as additional security for the Indebtedness secured by this Mortgage and empowers Lender to collect all Rents (as defined below) from the Property. This grant is known as an "Assignment of Rents," but is sometimes technically denominated as a pledge since the assignment is conditional and not absolute. This Assignment of Rents is

**MORTGAGE
(Continued)**

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conditioned upon the occurrence of an Event of Default under this Mortgage and becomes effective thereafter, whether or not proceedings have been instituted to foreclose this Mortgage by judicial foreclosure or power of sale upon the earliest of:

(a) Lender taking possession of the Property, and Grantor agrees that upon default Lender or its agent shall have the right to take possession of the Property, collect the Rents, and apply the proceeds to the Indebtedness;

(b) the appointment of a receiver for the Property, and Grantor recognizes that upon the occurrence of an Event of Default under this Mortgage, a court may grant specific performance of Grantor's agreement that Lender will have the right to take possession of the Property by appointment of a receiver in accordance with 12 O.S. Section 1551 (Sixth), which authorizes appointment in all other cases where receivers have been appointed by the usages of the courts of equity, and may also appoint a receiver upon the other grounds for appointment of a receiver set forth in 12 O.S. Section 1551 (Second); or

(c) Lender giving Grantor and any lessees of the Property written notice to pay Rents due after a specified date to Lender, and Grantor recognizes that consistent with 46 O.S. Section 4 when the Lender receives Rents after written notice and does not also enter into physical possession of the Property and exercise exclusive operating control, Lender shall not be deemed to be a "mortgagee in possession," but will account to Grantor regarding Rents actually collected.

Grantor also recognizes that Lender may as part of this Assignment of Rents extend or renew or enter into new leases for periods and payments consistent with the terms and payments customary for leases of the Property. If Lender sends written notice to a lessee obligated to pay under any lease on the Property requesting lessee to direct all Rents payable under the lease to Lender, this Assignment of Rents, when it is effective, shall transfer to Lender the lessee's obligation to pay Grantor the Rents, and Grantor and all lessees agree that no modification or termination or renewal of a lease prior to or subsequent to that time or advance payment and collection of Rents will be effective against Lender unless Lender consents in writing. If any lessee obligated to pay Lender does not do so, Lender shall have available all remedies to collect the Rents, including without limitation those available to a lessor upon a lessee's failure to perform under a lease. If Grantor occupies the Property, Grantor also agrees to pay to Lender a reasonable rental for the use and occupancy of the Property if after default Lender makes a demand for such payment in writing.

Grantor agrees that this Assignment of Rents will be considered as separate and independent from the Mortgage to the extent that the Assignment of Rents shall continue in effect in favor of the purchaser of the Property upon foreclosure with respect to leases that are not terminated by foreclosure or, at the election of Lender made known before any sale upon foreclosure is concluded, shall continue in effect in favor of Lender with respect to leases that are not terminated by foreclosure until any deficiency owed Lender after foreclosure is satisfied by payments under the leases, at which time further due payments shall accrue to the purchaser of the Property or to the purchaser's assigns.

THIS MORTGAGE, INCLUDING THE ASSIGNMENT OF RENTS AND THE SECURITY INTEREST IN THE PERSONAL PROPERTY, IS GIVEN TO SECURE (A) PAYMENT OF THE INDEBTEDNESS AND (B) PERFORMANCE OF ANY AND ALL OBLIGATIONS UNDER THE NOTE, THE RELATED DOCUMENTS, AND THIS MORTGAGE. THIS MORTGAGE IS GIVEN AND ACCEPTED ON THE FOLLOWING TERMS:

PAYMENT AND PERFORMANCE. Except as otherwise provided in this Mortgage, Grantor shall pay to Lender all amounts secured by this Mortgage as they become due and shall strictly perform all of Grantor's obligations under this Mortgage.

POSSESSION AND MAINTENANCE OF THE PROPERTY. Grantor agrees that Grantor's possession and use of the Property shall be governed by the following provisions:

Duty to Maintain. Grantor shall maintain the Property in tenantable condition and promptly perform all repairs, replacements, and maintenance necessary to preserve its value.

Compliance With Environmental Laws. Grantor represents and warrants to Lender that: (1) During the period of Grantor's ownership of the Property, there has been no use, generation, manufacture, storage, treatment, disposal, release or threatened release of any Hazardous Substance by any person on, under, about or from the Property; (2) Grantor has no knowledge of, or reason to believe that there has been, except as previously disclosed to and acknowledged by Lender in writing, (a) any breach or violation of any Environmental Laws, (b) any use, generation, manufacture, storage, treatment, disposal, release or threatened release of any Hazardous Substance on, under, about or from the Property by any prior owners or occupants of the Property, or (c) any actual or threatened litigation or claims of any kind by any person relating to such matters; and (3) Except as previously disclosed to and acknowledged by Lender in writing, (a) neither Grantor nor any tenant, contractor, agent or other authorized user of the Property shall use, generate, manufacture, store, treat, dispose of or release any Hazardous Substance on, under, about or from the Property; and (b) any such activity shall be conducted in compliance with all applicable federal, state, and local laws, regulations and ordinances, including without limitation all Environmental Laws. Grantor authorizes Lender and its agents to enter upon the Property to make such inspections and

**MORTGAGE
(Continued)**

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tests, at Grantor's expense, as Lender may deem appropriate to determine compliance of the Property with this section of the Mortgage. Any inspections or tests made by Lender shall be for Lender's purposes only and shall not be construed to create any responsibility or liability on the part of Lender to Grantor or to any other person. The representations and warranties contained herein are based on Grantor's due diligence in investigating the Property for Hazardous Substances. Grantor hereby (1) releases and waives any future claims against Lender for indemnity or contribution in the event Grantor becomes liable for cleanup or other costs under any such laws; and (2) agrees to indemnify, defend, and hold harmless Lender against any and all claims, losses, liabilities, damages, penalties, and expenses which Lender may directly or indirectly sustain or suffer resulting from a breach of this section of the Mortgage or as a consequence of any use, generation, manufacture, storage, disposal, release or threatened release occurring prior to Grantor's ownership or interest in the Property, whether or not the same was or should have been known to Grantor. The provisions of this section of the Mortgage, including the obligation to indemnify and defend, shall survive the payment of the Indebtedness and the satisfaction and reconveyance of the lien of this Mortgage and shall not be affected by Lender's acquisition of any interest in the Property, whether by foreclosure or otherwise.

Nuisance, Waste. Grantor shall not cause, conduct or permit any nuisance nor commit, permit, or suffer any stripping of or waste on or to the Property or any portion of the Property. Without limiting the generality of the foregoing, Grantor will not remove, or grant to any other party the right to remove, any timber, minerals (including oil and gas), coal, clay, scoria, soil, gravel or rock products without Lender's prior written consent. This restriction will not apply to rights and easements (such as gas and oil) not owned by Grantor and of which Grantor has informed Lender in writing prior to Grantor's signing of this Mortgage.

Removal of Improvements. Grantor shall not demolish or remove any Improvements from the Real Property without Lender's prior written consent. As a condition to the removal of any Improvements, Lender may require Grantor to make arrangements satisfactory to Lender to replace such Improvements with Improvements of at least equal value.

Lender's Right to Enter. Lender and Lender's agents and representatives may enter upon the Real Property at all reasonable times to attend to Lender's interests and to inspect the Real Property for purposes of Grantor's compliance with the terms and conditions of this Mortgage.

Compliance with Governmental Requirements. Grantor shall promptly comply with all laws, ordinances, and regulations, now or hereafter in effect, of all governmental authorities applicable to the use or occupancy of the Property, including without limitation, the Americans With Disabilities Act. Grantor may contest in good faith any such law, ordinance, or regulation and withhold compliance during any proceeding, including appropriate appeals, so long as Grantor has notified Lender in writing prior to doing so and so long as, in Lender's sole opinion, Lender's interests in the Property are not jeopardized. Lender may require Grantor to post adequate security or a surety bond, reasonably satisfactory to Lender, to protect Lender's interest.

Duty to Protect. Grantor agrees neither to abandon or leave unattended the Property. Grantor shall do all other acts, in addition to those acts set forth above in this section, which from the character and use of the Property are reasonably necessary to protect and preserve the Property.

CONSTRUCTION LOAN. If some or all of the proceeds of the loan creating the Indebtedness are to be used to construct or complete construction of any Improvements on the Property, the Improvements shall be completed no later than the maturity date of the Note (or such earlier date as Lender may reasonably establish) and Grantor shall pay in full all costs and expenses in connection with the work. Lender will disburse loan proceeds under such terms and conditions as Lender may deem reasonably necessary to insure that the interest created by this Mortgage shall have priority over all possible liens, including those of material suppliers and workmen. Lender may require, among other things, that disbursement requests be supported by receipted bills, expense affidavits, waivers of liens, construction progress reports, and such other documentation as Lender may reasonably request.

TAXES AND LIENS. The following provisions relating to the taxes and liens on the Property are part of this Mortgage:

Payment. Grantor shall pay when due (and in all events prior to delinquency) all taxes, payroll taxes, special taxes, assessments, water charges and sewer service charges levied against or on account of the Property, and shall pay when due all claims for work done on or for services rendered or material furnished to the Property. Grantor shall maintain the Property free of any liens having priority over or equal to the interest of Lender under this Mortgage, except for those liens specifically agreed to in writing by Lender, and except for the lien of taxes and assessments not due as further specified in the Right to Contest paragraph.

Evidence of Payment. Grantor shall upon demand furnish to Lender satisfactory evidence of payment of the taxes or assessments and shall authorize the appropriate governmental official to deliver to Lender at

**MORTGAGE
(Continued)**

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any time a written statement of the taxes and assessments against the Property.

Notice of Construction. Grantor shall notify Lender at least fifteen (15) days before any work is commenced, any services are furnished, or any materials are supplied to the Property, if any mechanic's lien, materialmen's lien, or other lien could be asserted on account of the work, services, or materials and the cost exceeds \$500.00. Grantor will upon request of Lender furnish to Lender advance assurances satisfactory to Lender that Grantor can and will pay the cost of such improvements.

PROPERTY DAMAGE INSURANCE. The following provisions relating to insuring the Property are a part of this Mortgage:

Maintenance of Insurance. Grantor shall procure and maintain policies of fire insurance with standard extended coverage endorsements on a replacement basis for the full insurable value covering all Improvements on the Real Property in an amount sufficient to avoid application of any coinsurance clause, and with a standard mortgagee clause in favor of Lender. Grantor shall also procure and maintain comprehensive general liability insurance in such coverage amounts as Lender may request with Lender being named as additional insureds in such liability insurance policies. Additionally, Grantor shall maintain such other insurance, including but not limited to hazard, business interruption and boiler insurance as Lender may require. Policies shall be written by such insurance companies and in such form as may be reasonably acceptable to Lender. Grantor shall deliver to Lender certificates of coverage from each insurer containing a stipulation that coverage will not be cancelled or diminished without a minimum of thirty (30) days' prior written notice to Lender and not containing any disclaimer of the insurer's liability for failure to give such notice. Each insurance policy also shall include an endorsement providing that coverage in favor of Lender will not be impaired in any way by any act, omission or default of Grantor or any other person. Should the Real Property be located in an area designated by the Administrator of the Federal Emergency Management Agency as a special flood hazard area, Grantor agrees to obtain and maintain Federal Flood Insurance, if available, within 45 days after notice is given by Lender that the Property is located in a special flood hazard area, for the full unpaid principal balance of the loan and any prior liens on the property securing the loan, up to the maximum policy limits set under the National Flood Insurance Program, or as otherwise required by Lender, and to maintain such insurance for the term of the loan.

Application of Proceeds. Grantor shall promptly notify Lender of any loss or damage to the Property if the estimated cost of repair or replacement exceeds \$100.00. Lender may make proof of loss if Grantor fails to do so within fifteen (15) days of the casualty. Whether or not Lender's security is impaired, Lender may, at Lender's election, receive and retain the proceeds of any insurance and apply the proceeds to the reduction of the Indebtedness, payment of any lien affecting the Property, or the restoration and repair of the Property. If Lender elects to apply the proceeds to restoration and repair, Grantor shall repair or replace the damaged or destroyed Improvements in a manner satisfactory to Lender. Lender shall, upon satisfactory proof of such expenditure, pay or reimburse Grantor from the proceeds for the reasonable cost of repair or restoration if Grantor is not in default under this Mortgage. Any proceeds which have not been disbursed within 180 days after their receipt and which Lender has not committed to the repair or restoration of the Property shall be used first to pay any amount owing to Lender under this Mortgage, then to pay accrued interest, and the remainder, if any, shall be applied to the principal balance of the Indebtedness. If Lender holds any proceeds after payment in full of the Indebtedness, such proceeds shall be paid to Grantor as Grantor's interests may appear. If all or part of the Property is damaged or destroyed by a third party and sums are due from that party or its insurer as a result, whether due to judgment, settlement or other process, these sums shall be applied in the same manner as insurance proceeds under this paragraph.

Grantor's Report on Insurance. Upon request of Lender, however not more than once a year, Grantor shall furnish to Lender a report on each existing policy of insurance showing: (1) the name of the insurer; (2) the risks insured; (3) the amount of the policy; (4) the property insured, the then current replacement value of such property, and the manner of determining that value; and (5) the expiration date of the policy. Grantor shall, upon request of Lender, have an independent appraiser satisfactory to Lender determine the cash value replacement cost of the Property.

LENDER'S EXPENDITURES. If any action or proceeding is commenced that would materially affect Lender's interest in the Property or if Grantor fails to comply with any provision of this Mortgage or any Related Documents, including but not limited to Grantor's failure to discharge or pay when due any amounts Grantor is required to discharge or pay under this Mortgage or any Related Documents, Lender on Grantor's behalf may (but shall not be obligated to) take any action that Lender deems appropriate, including but not limited to discharging or paying all taxes, liens, security interests, encumbrances and other claims, at any time levied or placed on the Property and paying all costs for insuring, maintaining and preserving the Property. All such expenditures incurred or paid by Lender for such purposes will then bear interest at the rate charged under the Note or at the highest rate authorized by law, from the date incurred or paid by Lender to the date of repayment by Grantor. All such expenses will become a part of the Indebtedness and, at Lender's option, will (A) be payable on demand; (B) be added to the balance of the Note and be apportioned among and be payable with any installment payments to become due during either (1) the term of any applicable insurance

**MORTGAGE
(Continued)**

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policy; or (2) the remaining term of the Note; or (C) be treated as a balloon payment which will be due and payable at the Note's maturity. The Mortgage also will secure payment of these amounts. Such right shall be in addition to all other rights and remedies to which Lender may be entitled upon Default. If Lender is required by law to give Grantor notice before or after Lender makes an expenditure, Grantor agrees that notice sent by regular mail at least five (5) days before the expenditure is made or notice delivered two (2) days before the expenditure is made is sufficient, and that notice within sixty (60) days after the expenditure is made is reasonable.

WARRANTY; DEFENSE OF TITLE. The following provisions relating to ownership of the Property are a part of this Mortgage:

Title. Grantor warrants that: (a) Grantor holds good and marketable title of record to the Property in fee simple, free and clear of all liens and encumbrances other than those set forth in the Real Property description or in any title insurance policy, title report, or final title opinion issued in favor of, and accepted by, Lender in connection with this Mortgage, and (b) Grantor has the full right, power, and authority to execute and deliver this Mortgage to Lender.

Defense of Title. Subject to the exception in the paragraph above, Grantor warrants and will forever defend the title to the Property against the lawful claims of all persons. In the event any action or proceeding is commenced that questions Grantor's title or the interest of Lender under this Mortgage, Grantor shall defend the action at Grantor's expense. Grantor may be the nominal party in such proceeding, but Lender shall be entitled to participate in the proceeding and to be represented in the proceeding by counsel of Lender's own choice, and Grantor will deliver, or cause to be delivered, to Lender such instruments as Lender may request from time to time to permit such participation.

Compliance With Laws. Grantor warrants that the Property and Grantor's use of the Property complies with all existing applicable laws, ordinances, and regulations of governmental authorities.

Survival of Representations and Warranties. All representations, warranties, and agreements made by Grantor in this Mortgage shall survive the execution and delivery of this Mortgage, shall be continuing in nature, and shall remain in full force and effect until such time as Grantor's Indebtedness shall be paid in full.

CONDEMNATION. The following provisions relating to condemnation proceedings are a part of this Mortgage:

Proceedings. If any proceeding in condemnation is filed, Grantor shall promptly notify Lender in writing, and Grantor shall promptly take such steps as may be necessary to defend the action and obtain the award. Grantor may be the nominal party in such proceeding, but Lender shall be entitled to participate in the proceeding and to be represented in the proceeding by counsel of its own choice, and Grantor will deliver or cause to be delivered to Lender such instruments and documentation as may be requested by Lender from time to time to permit such participation.

Application of Net Proceeds. If all or any part of the Property is condemned by eminent domain proceedings or by any proceeding or purchase in lieu of condemnation, Lender may at its election require that all or any portion of the net proceeds of the award be applied to the Indebtedness or the repair or restoration of the Property. The net proceeds of the award shall mean the award after payment of all reasonable costs, expenses, and attorneys' fees incurred by Lender in connection with the condemnation.

IMPOSITION OF TAXES, FEES AND CHARGES BY GOVERNMENTAL AUTHORITIES. The following provisions relating to governmental taxes, fees and charges are a part of this Mortgage:

Current Taxes, Fees and Charges. Upon request by Lender, Grantor shall execute such documents in addition to this Mortgage and take whatever other action is requested by Lender to perfect and continue Lender's lien on the Real Property. Grantor shall reimburse Lender for all taxes, as described below, together with all expenses incurred in recording, perfecting or continuing this Mortgage, including without limitation all taxes, fees, documentary stamps, and other charges for recording or registering this Mortgage.

Taxes. The following shall constitute taxes to which this section applies: (1) a specific tax upon this type of Mortgage or upon all or any part of the Indebtedness secured by this Mortgage; (2) a specific tax on Grantor which Grantor is authorized or required to deduct from payments on the Indebtedness secured by this type of Mortgage; (3) a tax on this type of Mortgage chargeable against the Lender or the holder of the Note; and (4) a specific tax on all or any portion of the Indebtedness or on payments of principal and interest made by Grantor.

Subsequent Taxes. If any tax to which this section applies is enacted subsequent to the date of this Mortgage, this event shall have the same effect as an Event of Default, and Lender may exercise any or all of its available remedies for an Event of Default as provided below unless Grantor either (1) pays the tax before it becomes delinquent, or (2) contests the tax as provided above in the Taxes and Liens section and deposits with Lender cash or a sufficient corporate surety bond or other security satisfactory to Lender.

**MORTGAGE
(Continued)**

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SECURITY AGREEMENT; FINANCING STATEMENTS. The following provisions relating to this Mortgage as a security agreement are a part of this Mortgage:

Security Agreement. This instrument shall constitute a Security Agreement to the extent any of the Property constitutes fixtures, and Lender shall have all of the rights of a secured party under the Uniform Commercial Code as amended from time to time.

Security Interest. Upon request by Lender, Grantor shall take whatever action is requested by Lender to perfect and continue Lender's security interest in the Rents and Personal Property. In addition to recording this Mortgage in the real property records, Lender may, at any time and without further authorization from Grantor, file executed counterparts, copies or reproductions of this Mortgage as a financing statement. Grantor shall reimburse Lender for all expenses incurred in perfecting or continuing this security interest. Upon default, Grantor shall not remove, sever or detach the Personal Property from the Property. Upon default, Grantor shall assemble any Personal Property not affixed to the Property in a manner and at a place reasonably convenient to Grantor and Lender and make it available to Lender within three (3) days after receipt of written demand from Lender to the extent permitted by applicable law.

Addresses. The mailing addresses of Grantor (debtor) and Lender (secured party) from which information concerning the security interest granted by this Mortgage may be obtained (each as required by the Uniform Commercial Code) are as stated on the first page of this Mortgage.

FURTHER ASSURANCES; ATTORNEY-IN-FACT. The following provisions relating to further assurances and attorney-in-fact are a part of this Mortgage:

Further Assurances. At any time, and from time to time, upon request of Lender, Grantor will make, execute and deliver, or will cause to be made, executed or delivered, to Lender or to Lender's designee, and when requested by Lender, cause to be filed, recorded, refiled, or rerecorded, as the case may be, at such times and in such offices and places as Lender may deem appropriate, any and all such mortgages, deeds of trust, security deeds, security agreements, financing statements, continuation statements, instruments of further assurance, certificates, and other documents as may, in the sole opinion of Lender, be necessary or desirable in order to effectuate, complete, perfect, continue, or preserve (1) Grantor's obligations under the Note, this Mortgage, and the Related Documents, and (2) the liens and security interests created by this Mortgage as first and prior liens on the Property, whether now owned or hereafter acquired by Grantor. Unless prohibited by law or Lender agrees to the contrary in writing, Grantor shall reimburse Lender for all costs and expenses incurred in connection with the matters referred to in this paragraph.

Attorney-in-Fact. If Grantor fails to do any of the things referred to in the preceding paragraph, Lender may do so for and in the name of Grantor and at Grantor's expense. For such purposes, Grantor hereby irrevocably appoints Lender as Grantor's attorney-in-fact for the purpose of making, executing, delivering, filing, recording, and doing all other things as may be necessary or desirable, in Lender's sole opinion, to accomplish the matters referred to in the preceding paragraph.

FULL PERFORMANCE. If Grantor pays all the Indebtedness, including without limitation all future advances, when due, and otherwise performs all the obligations imposed upon Grantor under this Mortgage, Lender shall execute and deliver to Grantor a suitable satisfaction of this Mortgage and suitable statements of termination of any financing statement on file evidencing Lender's security interest in the Rents and the Personal Property. Grantor will pay, if permitted by applicable law, any reasonable termination fee as determined by Lender from time to time.

EVENTS OF DEFAULT. Each of the following, at Lender's option, shall constitute an Event of Default under this Mortgage:

Payment Default. Grantor fails to make any payment when due under the Indebtedness.

Default on Other Payments. Failure of Grantor within the time required by this Mortgage to make any payment for taxes or insurance, or any other payment necessary to prevent filing of or to effect discharge of any lien.

Other Defaults. Grantor fails to comply with or to perform any other term, obligation, covenant or condition contained in this Mortgage or in any of the Related Documents or to comply with or to perform any term, obligation, covenant or condition contained in any other agreement between Lender and Grantor.

Condemnation, Casualty. The taking by rights of eminent domain of all or any portion of the Property or the damage or destruction by an uninsured casualty of the Property.

False Statements. Any warranty, representation or statement made or furnished to Lender by Grantor or on Grantor's behalf under this Mortgage or the Related Documents is false or misleading in any material respect, either now or at the time made or furnished or becomes false or misleading at any time thereafter.

Defective Collateralization. This Mortgage or any of the Related Documents ceases to be in full force and effect (including failure of any collateral document to create a valid and perfected security interest or lien) at any time and for any reason.

**MORTGAGE
(Continued)**

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Death or Insolvency. The dissolution of Grantor's (regardless of whether election to continue is made), any member withdraws from the limited liability company, or any other termination of Grantor's existence as a going business or the death of any member, the insolvency of Grantor, the appointment of a receiver for any part of Grantor's property, any assignment for the benefit of creditors, any type of creditor workout, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against Grantor.

Creditor or Forfeiture Proceedings. Commencement of foreclosure or forfeiture proceedings, whether by judicial proceeding, self-help, repossession or any other method, by any creditor of Grantor or by any governmental agency against any property securing the Indebtedness. This includes a garnishment of any of Grantor's accounts, including deposit accounts, with Lender. However, this Event of Default shall not apply if there is a good faith dispute by Grantor as to the validity or reasonableness of the claim which is the basis of the creditor or forfeiture proceeding and if Grantor gives Lender written notice of the creditor or forfeiture proceeding and deposits with Lender monies or a surety bond for the creditor or forfeiture proceeding, in an amount determined by Lender, in its sole discretion, as being an adequate reserve or bond for the dispute.

Breach of Other Agreement. Any breach by Grantor under the terms of any other agreement between Grantor and Lender that is not remedied within any grace period provided therein, including without limitation any agreement concerning any indebtedness or other obligation of Grantor to Lender, whether existing now or later.

Events Affecting Guarantor. Any of the preceding events occurs with respect to any Guarantor of any of the Indebtedness or any Guarantor dies or becomes incompetent, or revokes or disputes the validity of, or liability under, any Guaranty of the Indebtedness.

Adverse Change. A material adverse change occurs in Grantor's financial condition, or Lender believes the prospect of payment or performance of the Indebtedness is impaired.

Insecurity. Lender in good faith believes itself insecure.

Right to Cure. If any default, other than a default in payment, is curable and if Grantor has not been given a notice of a breach of the same provision of this Mortgage within the preceding twelve (12) months, it may be cured if Grantor, after Lender sends written notice to Grantor demanding cure of such default: (1) cures the default within fifteen (15) days; or (2) if the cure requires more than fifteen (15) days, immediately initiates steps which Lender deems in Lender's sole discretion to be sufficient to cure the default and thereafter continues and completes all reasonable and necessary steps sufficient to produce compliance as soon as reasonably practical.

RIGHTS AND REMEDIES ON DEFAULT. Upon the occurrence of an Event of Default and at any time thereafter, Lender, at Lender's option, may exercise any one or more of the following rights and remedies, in addition to any other rights or remedies provided by law:

Accelerate Indebtedness. Lender shall have the right at its option without notice to Grantor to declare the entire Indebtedness immediately due and payable, including any prepayment penalty that Grantor would be required to pay.

UCC Remedies. With respect to all or any part of the Personal Property, Lender shall have all the rights and remedies of a secured party under the Uniform Commercial Code.

Collect Rents. Lender shall have the right, without notice to Grantor, to take possession of the Property and collect the Rents, including amounts past due and unpaid, and apply the net proceeds, over and above Lender's costs, against the Indebtedness. In furtherance of this right, Lender may require any tenant or other user of the Property to make payments of rent or use fees directly to Lender. If the Rents are collected by Lender, then Grantor irrevocably designates Lender as Grantor's attorney-in-fact to endorse instruments received in payment thereof in the name of Grantor and to negotiate the same and collect the proceeds. Payments by tenants or other users to Lender in response to Lender's demand shall satisfy the obligations for which the payments are made, whether or not any proper grounds for the demand existed. Lender may exercise its rights under this subparagraph either in person, by agent, or through a receiver.

Appoint Receiver. In any action by Lender for the foreclosure of this Mortgage, whether by judicial foreclosure or power of sale, Lender shall be entitled to the appointment of a receiver upon any failure of Grantor to comply with any term, obligation, covenant, or condition contained in this Mortgage, the Note, or any Related Documents.

Judicial Foreclosure. Lender may obtain a judicial decree foreclosing Grantor's interest in all or any part of the Property.

Power of Sale.(1) Lender, as an alternative remedy, may elect to foreclose by power of sale, and Grantor authorizes Lender, or Lender's attorney, and grants to Lender, or Lender's attorney, the power (a) to sell and to convey the Property to a purchaser and the purchaser's heirs or assigns, forever, and (b) to foreclose Grantor's rights and the rights of all persons who took an interest in the Property subject to this

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(Continued)**

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Mortgage.(2) This right to foreclose and to sell and convey the Property which Grantor has given Lender by contract is called the "power of sale" and may, at the option of Lender, be utilized in lieu of the procedure authorized by law for acceleration and foreclosure by judicial process. The power of sale means that in accordance with applicable Oklahoma law with respect to notice to Grantor and other persons, Grantor's interest and the other persons' interests in the Property can be sold by Lender at public sale and that the proceeds can be applied to pay the accelerated debt evidenced by the Note and any other Indebtedness secured by this Mortgage without Lender having to go to court in a foreclosure action.(3) However, under the power of sale, before Lender, after an Event of Default, declares all sums secured by this Mortgage immediately due and payable irrespective of any maturity date specified in the Note or in this Mortgage, Lender must give Grantor written notice of intention to foreclose by power of sale, which notice informs Grantor how Grantor has failed to perform under this Mortgage and what Grantor must do to cure the failure.(4) Grantor will have the right for thirty-five (35) days from the date notice is sent, or for any other period provided by law, to cure the failure by paying money or otherwise providing the performance due, unless Grantor previously has been in default more than the number of times specified by statute within the previous two (2) years, in which case (a) Lender is entitled immediately to accelerate the sums secured by this Mortgage and to proceed with the power of sale, and (b) Lender is not required to send a notice of intention of foreclosure with any right to cure. If Grantor cures the default or if Lender accepts a partial performance and a promise to complete performance later, Lender may not require immediate payment in full by acceleration. Grantor understands cure of a default or Lender's acceptance of partial cure and a promise to complete performance later does not affect or compromise Lender's rights if there is again a default. If Lender so requests, Grantor agrees to sign and return a form stating (a) when Grantor received the notice specified in this paragraph, (b) whether the Property is homestead property, and (c) if so, whether Grantor will elect judicial foreclosure or elect against a deficiency. Grantor understands that Grantor may, but need not, waive a right to cure in any such receipt form if requested by Lender.(5) In any effort to collect the amounts secured by this Mortgage, whether or not involving foreclosure and sale by power of sale, Lender will have the right to collect all costs allowed by law, and Grantor agrees to pay to the extent permitted by law Lender's legal expenses.

Deficiency Judgment. If permitted by applicable law, Lender may obtain a judgment for any deficiency remaining in the Indebtedness due to Lender after application of all amounts received from the exercise of the rights provided in this section.

Appraisal. Lender, at Lender's option, may waive or not waive appraisal of the Property at the time judgment is rendered in any judicial foreclosure of the Property or at any time prior to such foreclosure.

Other Remedies. Lender shall have all other rights and remedies provided in this Mortgage or the Note or available at law or in equity.

Sale of the Property. To the extent permitted by applicable law, Grantor hereby waives any and all right to have the Property marshalled. In exercising its rights and remedies, Lender, to the extent permitted by applicable law, shall be free to sell all or any part of the Property together or separately, in one sale or by separate sales. Lender shall be entitled to bid at any public sale on all or any portion of the Property.

Notice of Sale. Lender shall give Grantor reasonable notice of the time and place of any public sale of the Personal Property or of the time after which any private sale or other intended disposition of the Personal Property is to be made. Reasonable notice shall mean notice given at least ten (10) days before the time of the sale or disposition. Any sale of the Personal Property may be made in conjunction with any sale of the Real Property.

Election of Remedies. Election by Lender to pursue any remedy shall not exclude pursuit of any other remedy, and an election to make expenditures or to take action to perform an obligation of Grantor under this Mortgage, after Grantor's failure to perform, shall not affect Lender's right to declare a default and exercise its remedies. Nothing under this Mortgage or otherwise shall be construed so as to limit or restrict the rights and remedies available to Lender following an Event of Default, or in any way to limit or restrict the rights and ability of Lender to proceed directly against Grantor and/or against any other co-maker, guarantor, surety or endorser and/or to proceed against any other collateral directly or indirectly securing the Indebtedness.

Attorneys' Fees; Expenses. If Lender institutes any suit or action to enforce any of the terms of this Mortgage, Lender shall be entitled to recover such sum as the court may adjudge reasonable as attorneys' fees at trial and upon any appeal. Whether or not any court action is involved, and to the extent not prohibited by law, all reasonable expenses Lender incurs that in Lender's opinion are necessary at any time for the protection of its interest or the enforcement of its rights shall become a part of the Indebtedness payable on demand and shall bear interest at the Note rate from the date of the expenditure until repaid. Expenses covered by this paragraph include, without limitation, however subject to any limits under applicable law, Lender's attorneys' fees and Lender's legal expenses, whether or not there is a lawsuit, including attorneys' fees and expenses for bankruptcy proceedings (including efforts to modify or vacate

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any automatic stay or injunction), appeals, and any anticipated post-judgment collection services, the cost of searching records, obtaining title reports (including foreclosure reports), surveyors' reports, and appraisal fees and title insurance, to the extent permitted by applicable law. Grantor also will pay any court costs, in addition to all other sums provided by law.

NOTICES. To the extent permitted by applicable law, any notice required to be given under this Mortgage, including without limitation any notice of default and any notice of sale shall be given in writing, and shall be effective when actually delivered, when actually received by telefacsimile (unless otherwise required by law), when deposited with a nationally recognized overnight courier, or, if mailed, when deposited in the United States mail, as first class, certified or registered mail postage prepaid, directed to the addresses shown near the beginning of this Mortgage. All copies of notices of foreclosure from the holder of any lien which has priority over this Mortgage shall be sent to Lender's address, as shown near the beginning of this Mortgage. Any party may change its address for notices under this Mortgage by giving formal written notice to the other parties, specifying that the purpose of the notice is to change the party's address. For notice purposes, Grantor agrees to keep Lender informed at all times of Grantor's current address. To the extent permitted by applicable law, if there is more than one Grantor, any notice given by Lender to any Grantor is deemed to be notice given to all Grantors.

CROSS-COLLATERALIZATION. Indebtedness includes any obligation which Grantor owes to Lender, whether direct, indirect, contingent or otherwise.

MISCELLANEOUS PROVISIONS. The following miscellaneous provisions are a part of this Mortgage:

Amendments. This Mortgage, together with any Related Documents, constitutes the entire understanding and agreement of the parties as to the matters set forth in this Mortgage. All prior and contemporaneous representations and discussions concerning such matters either are included in this document or do not constitute an aspect of the agreement of the parties. Except as may be specifically set forth in this Mortgage, no conditions precedent or subsequent, of any kind whatsoever, exist with respect to Grantor's obligations under this Mortgage. No alteration of or amendment to this Mortgage shall be effective unless given in writing and signed by the party or parties sought to be charged or bound by the alteration or amendment.

Annual Reports. If the Property is used for purposes other than Grantor's residence, Grantor shall furnish to Lender, upon request, a certified statement of net operating income received from the Property during Grantor's previous fiscal year in such form and detail as Lender shall require. "Net operating income" shall mean all cash receipts from the Property less all cash expenditures made in connection with the operation of the Property.

Caption Headings. Caption headings in this Mortgage are for convenience purposes only and are not to be used to interpret or define the provisions of this Mortgage.

Governing Law. This Mortgage will be governed by federal law applicable to Lender and, to the extent not preempted by federal law, the laws of the State of Oklahoma without regard to its conflicts of law provisions. This Mortgage has been accepted by Lender in the State of Oklahoma.

No Waiver by Lender. Lender shall not be deemed to have waived any rights under this Mortgage unless such waiver is given in writing and signed by Lender. No delay or omission on the part of Lender in exercising any right shall operate as a waiver of such right or any other right. A waiver by Lender of a provision of this Mortgage shall not prejudice or constitute a waiver of Lender's right otherwise to demand strict compliance with that provision or any other provision of this Mortgage. No prior waiver by Lender, nor any course of dealing between Lender and Grantor, shall constitute a waiver of any of Lender's rights or of any of Grantor's obligations as to any future transactions. Whenever the consent of Lender is required under this Mortgage, the granting of such consent by Lender in any instance shall not constitute continuing consent to subsequent instances where such consent is required and in all cases such consent may be granted or withheld in the sole discretion of Lender.

Severability. If a court of competent jurisdiction finds any provision of this Mortgage to be illegal, invalid, or unenforceable as to any circumstance, that finding shall not make the offending provision illegal, invalid, or unenforceable as to any other circumstance. If feasible, the offending provision shall be considered modified so that it becomes legal, valid and enforceable. If the offending provision cannot be so modified, it shall be considered deleted from this Mortgage. Unless otherwise required by law, the illegality, invalidity, or unenforceability of any provision of this Mortgage shall not affect the legality, validity or enforceability of any other provision of this Mortgage.

Merger. There shall be no merger of the interest or estate created by this Mortgage with any other interest or estate in the Property at any time held by or for the benefit of Lender in any capacity, without the written consent of Lender.

Successors and Assigns. Subject to any limitations stated in this Mortgage on transfer of Grantor's interest, this Mortgage shall be binding upon and inure to the benefit of the parties, their successors and

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(Continued)**

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assigns. If ownership of the Property becomes vested in a person other than Grantor, Lender, without notice to Grantor, may deal with Grantor's successors with reference to this Mortgage and the Indebtedness by way of forbearance or extension without releasing Grantor from the obligations of this Mortgage or liability under the Indebtedness.

Time is of the Essence. Time is of the essence in the performance of this Mortgage.

Waiver of Homestead Exemption. Grantor hereby releases and waives all rights and benefits of the homestead exemption laws of the State of Oklahoma as to all Indebtedness secured by this Mortgage.

DEFINITIONS. The following capitalized words and terms shall have the following meanings when used in this Mortgage. Unless specifically stated to the contrary, all references to dollar amounts shall mean amounts in lawful money of the United States of America. Words and terms used in the singular shall include the plural, and the plural shall include the singular, as the context may require. Words and terms not otherwise defined in this Mortgage shall have the meanings attributed to such terms in the Uniform Commercial Code:

Borrower. The word "Borrower" means MIDTOWN BUILDERS, LLC and includes all co-signers and co-makers signing the Note and all their successors and assigns.

Default. The word "Default" means the Default set forth in this Mortgage in the section titled "Default".

Environmental Laws. The words "Environmental Laws" mean any and all state, federal and local statutes, regulations and ordinances relating to the protection of human health or the environment, including without limitation the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended, 42 U.S.C. Section 9601, et seq. ("CERCLA"), the Superfund Amendments and Reauthorization Act of 1986, Pub. L. No. 99-499 ("SARA"), the Hazardous Materials Transportation Act, 49 U.S.C. Section 1801, et seq., the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901, et seq., or other applicable state or federal laws, rules, or regulations adopted pursuant thereto.

Event of Default. The words "Event of Default" mean any of the events of default set forth in this Mortgage in the events of default section of this Mortgage.

Grantor. The word "Grantor" means MIDTOWN BUILDERS, LLC.

Guarantor. The word "Guarantor" means any guarantor, surety, or accommodation party of any or all of the Indebtedness.

Guaranty. The word "Guaranty" means the guaranty from Guarantor to Lender, including without limitation a guaranty of all or part of the Note.

Hazardous Substances. The words "Hazardous Substances" mean materials that, because of their quantity, concentration or physical, chemical or infectious characteristics, may cause or pose a present or potential hazard to human health or the environment when improperly used, treated, stored, disposed of, generated, manufactured, transported or otherwise handled. The words "Hazardous Substances" are used in their very broadest sense and include without limitation any and all hazardous or toxic substances, materials or waste as defined by or listed under the Environmental Laws. The term "Hazardous Substances" also includes, without limitation, petroleum and petroleum by-products or any fraction thereof and asbestos.

Improvements. The word "Improvements" means all existing and future improvements, buildings, structures, mobile homes affixed on the Real Property, facilities, additions, replacements and other construction on the Real Property.

Indebtedness. The word "Indebtedness" means all principal, interest, and other amounts, costs and expenses payable under the Note or Related Documents, together with all renewals of, extensions of, modifications of, consolidations of and substitutions for the Note or Related Documents and any amounts expended or advanced by Lender to discharge Grantor's obligations or expenses incurred by Lender to enforce Grantor's obligations under this Mortgage, together with interest on such amounts as provided in this Mortgage. Specifically, without limitation, Indebtedness includes all amounts that may be indirectly secured by the Cross-Collateralization provision of this Mortgage.

Lender. The word "Lender" means QUAIL CREEK BANK, N.A., its successors and assigns.

Mortgage. The word "Mortgage" means this Mortgage between Grantor and Lender.

Note. The word "Note" means the promissory note dated January 27, 2017, in the original principal amount of \$1,326,165.17 from Grantor to Lender, together with all renewals of, extensions of, modifications of, refinancings of, consolidations of, and substitutions for the promissory note or agreement. The maturity date of this Mortgage is January 27, 2018. **NOTICE TO GRANTOR: THE NOTE CONTAINS A VARIABLE INTEREST RATE.**

Personal Property. The words "Personal Property" mean all equipment, fixtures, and other articles of personal property now or hereafter owned by Grantor, and now or hereafter attached or affixed to the Real

**MORTGAGE
(Continued)**

Loan No: 204400

Property; together with all accessions, parts, and additions to, all replacements of, and all substitutions for, any of such property; and together with all proceeds (including without limitation all insurance proceeds and refunds of premiums) from any sale or other disposition of the Property.

Property. The word "Property" means collectively the Real Property and the Personal Property.

Real Property. The words "Real Property" mean the real property, interests and rights, as further described in this Mortgage.

Related Documents. The words "Related Documents" mean all promissory notes, credit agreements, loan agreements, environmental agreements, guaranties, security agreements, mortgages, deeds of trust, security deeds, collateral mortgages, and all other instruments, agreements and documents, whether now or hereafter existing, executed in connection with the Indebtedness.

Rents. The word "Rents" means all present and future rents, revenues, income, issues, royalties, profits, and other benefits derived from the Property.

GRANTOR ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS MORTGAGE, AND GRANTOR AGREES TO ITS TERMS.

GRANTOR:

MIDTOWN BUILDERS, LLC

By: _____
MARVA ELLARD, Member/Manager of MIDTOWN BUILDERS, LLC

LIMITED LIABILITY COMPANY ACKNOWLEDGMENT

STATE OF _____)
) SS
COUNTY OF _____)

Before me, the undersigned, a Notary Public in and for the above County and State, on this _____ day of _____, 20____, personally appeared **MARVA ELLARD, Member/Manager of MIDTOWN BUILDERS, LLC**, a member or designated agent of **MIDTOWN BUILDERS, LLC**, to me known to be the identical person who executed the Mortgage on behalf of the limited liability company and acknowledged to me that **MARVA ELLARD, Member/Manager of MIDTOWN BUILDERS, LLC**, executed the same Mortgage as his or her free and voluntary act and deed, and as the free and voluntary act and deed of said limited liability company, for the uses and purposes set forth in the Mortgage.

Signed the _____ day of _____, 20_____.

Notary Public

My Commission Expires: _____

Loan Number _____

RECORDATION REQUESTED BY:
QUAIL CREEK BANK, N.A.
P.O. BOX 20160
OKLAHOMA CITY, OK 73156

WHEN RECORDED MAIL TO:
QUAIL CREEK BANK, N.A.
P.O. BOX 20160
OKLAHOMA CITY, OK 73156

SEND TAX NOTICES TO:
MIDTOWN BUILDERS, LLC
616 NW 21ST STREET
OKLAHOMA CITY, OK 73103

FOR RECORDER'S USE ONLY



00000000000204400011501272017

ASSIGNMENT OF RENTS

THIS ASSIGNMENT OF RENTS dated January 27, 2017, is made and executed between MIDTOWN BUILDERS, LLC; AN OKLAHOMA LIMITED LIABILITY COMPANY (referred to below as "Grantor") and QUAIL CREEK BANK, N.A., whose address is P.O. BOX 20160, OKLAHOMA CITY, OK 73156 (referred to below as "Lender").

ASSIGNMENT. For valuable consideration, Grantor hereby assigns, grants a continuing security interest in, and conveys to Lender all of Grantor's right, title, and interest in and to the Rents from the following described Property located in OKLAHOMA County, State of Oklahoma:

Lots Three (3), Four (4), Five (5), Six (6), Seven (7) and Eight (8), Block Thirty (30), University Addition, according to the recorded plat thereof

The Property or its address is commonly known as 620 NW 21ST, OKLAHOMA CITY, OK 73103.

CROSS-COLLATERALIZATION. In addition to the Note, this Assignment secures all obligations, debts and liabilities, plus interest thereon, of Grantor to Lender, or any one or more of them, as well as all claims by Lender against Grantor or any one or more of them, owed to Lender, whether of a like nature to the Note Indebtedness or not, whether arising from a loan or a purchased obligation, whether incurred for a consumer or a business purpose, whether now existing or hereafter arising, whether related or unrelated to the purpose of the Note, whether voluntary or otherwise, whether due or not due, direct or indirect, determined or undetermined, absolute or contingent, liquidated or unliquidated, whether Grantor may be liable individually or jointly with others, whether obligated as guarantor, surety, accommodation party or otherwise, and whether recovery upon such amounts may be or hereafter may become barred by any statute of limitations, and whether the obligation to repay such amounts may be or hereafter may become otherwise unenforceable.

THIS ASSIGNMENT IS GIVEN TO SECURE (1) PAYMENT OF THE INDEBTEDNESS AND (2) PERFORMANCE OF ANY AND ALL OBLIGATIONS OF GRANTOR UNDER THE NOTE, THIS ASSIGNMENT, AND THE RELATED DOCUMENTS. THIS ASSIGNMENT IS GIVEN AND ACCEPTED ON THE FOLLOWING TERMS:

PAYMENT AND PERFORMANCE. Except as otherwise provided in this Assignment or any Related Documents, Grantor shall pay to Lender all amounts secured by this Assignment as they become due, and shall strictly perform all of Grantor's obligations under this Assignment. Unless and until Lender exercises its right to collect the Rents as provided below and so long as there is no default under this Assignment, Grantor may remain in possession and control of and operate and manage the Property and collect the Rents, provided that the granting of the right to collect the Rents shall not constitute Lender's consent to the use of cash collateral in a bankruptcy proceeding.

GRANTOR'S REPRESENTATIONS AND WARRANTIES. Grantor warrants that:

Ownership. Grantor is entitled to receive the Rents free and clear of all rights, loans, liens, encumbrances,

**ASSIGNMENT OF RENTS
(Continued)**

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and claims except as disclosed to and accepted by Lender in writing.

Right to Assign. Grantor has the full right, power and authority to enter into this Assignment and to assign and convey the Rents to Lender.

No Prior Assignment. Grantor has not previously assigned or conveyed the Rents to any other person by any instrument now in force.

No Further Transfer. Grantor will not sell, assign, encumber, or otherwise dispose of any of Grantor's rights in the Rents except as provided in this Assignment.

LENDER'S RIGHT TO RECEIVE AND COLLECT RENTS. Lender shall have the right at any time, and even though no default shall have occurred under this Assignment, to collect and receive the Rents. For this purpose, Lender is hereby given and granted the following rights, powers and authority:

Notice to Tenants. Lender may send notices to any and all tenants of the Property advising them of this Assignment and directing all Rents to be paid directly to Lender or Lender's agent.

Enter the Property. Lender may enter upon and take possession of the Property; demand, collect and receive from the tenants or from any other persons liable therefor, all of the Rents; institute and carry on all legal proceedings necessary for the protection of the Property, including such proceedings as may be necessary to recover possession of the Property; collect the Rents and remove any tenant or tenants or other persons from the Property.

Maintain the Property. Lender may enter upon the Property to maintain the Property and keep the same in repair; to pay the costs thereof and of all services of all employees, including their equipment, and of all continuing costs and expenses of maintaining the Property in proper repair and condition, and also to pay all taxes, assessments and water utilities, and the premiums on fire and other insurance effected by Lender on the Property.

Compliance with Laws. Lender may do any and all things to execute and comply with the laws of the State of Oklahoma and also all other laws, rules, orders, ordinances and requirements of all other governmental agencies affecting the Property.

Lease the Property. Lender may rent or lease the whole or any part of the Property for such term or terms and on such conditions as Lender may deem appropriate.

Employ Agents. Lender may engage such agent or agents as Lender may deem appropriate, either in Lender's name or in Grantor's name, to rent and manage the Property, including the collection and application of Rents.

Other Acts. Lender may do all such other things and acts with respect to the Property as Lender may deem appropriate and may act exclusively and solely in the place and stead of Grantor and to have all of the powers of Grantor for the purposes stated above.

No Requirement to Act. Lender shall not be required to do any of the foregoing acts or things, and the fact that Lender shall have performed one or more of the foregoing acts or things shall not require Lender to do any other specific act or thing.

APPLICATION OF RENTS. All costs and expenses incurred by Lender in connection with the Property shall be for Grantor's account and Lender may pay such costs and expenses from the Rents. Lender, in its sole discretion, shall determine the application of any and all Rents received by it; however, any such Rents received by Lender which are not applied to such costs and expenses shall be applied to the Indebtedness. All expenditures made by Lender under this Assignment and not reimbursed from the Rents shall become a part of the Indebtedness secured by this Assignment, and shall be payable on demand, with interest at the Note rate from date of expenditure until paid.

FULL PERFORMANCE. If Grantor pays all of the Indebtedness when due and otherwise performs all the obligations imposed upon Grantor under this Assignment, the Note, and the Related Documents, Lender shall execute and deliver to Grantor a suitable satisfaction of this Assignment and suitable statements of termination of any financing statement on file evidencing Lender's security interest in the Rents and the Property. Any termination fee required by law shall be paid by Grantor, if permitted by applicable law.

LENDER'S EXPENDITURES. If any action or proceeding is commenced that would materially affect Lender's interest in the Property or if Grantor fails to comply with any provision of this Assignment or any Related Documents, including but not limited to Grantor's failure to discharge or pay when due any amounts Grantor is required to discharge or pay under this Assignment or any Related Documents, Lender on Grantor's behalf may (but shall not be obligated to) take any action that Lender deems appropriate, including but not limited to discharging or paying all taxes, liens, security interests, encumbrances and other claims, at any time levied or placed on the Rents or the Property and paying all costs for insuring, maintaining and preserving the Property. All such expenditures incurred or paid by Lender for such purposes will then bear interest at the rate charged under the Note or at the highest rate authorized by law, from the date incurred or paid by Lender to the date of

**ASSIGNMENT OF RENTS
(Continued)**

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repayment by Grantor. All such expenses will become a part of the Indebtedness and, at Lender's option, will (A) be payable on demand; (B) be added to the balance of the Note and be apportioned among and be payable with any installment payments to become due during either (1) the term of any applicable insurance policy; or (2) the remaining term of the Note; or (C) be treated as a balloon payment which will be due and payable at the Note's maturity. The Assignment also will secure payment of these amounts. Such right shall be in addition to all other rights and remedies to which Lender may be entitled upon Default. If Lender is required by law to give Grantor notice before or after Lender makes an expenditure, Grantor agrees that notice sent by regular mail at least five (5) days before the expenditure is made or notice delivered two (2) days before the expenditure is made is sufficient, and that notice within sixty (60) days after the expenditure is made is reasonable.

DEFAULT. Each of the following, at Lender's option, shall constitute an Event of Default under this Assignment:

Payment Default. Grantor fails to make any payment when due under the Indebtedness.

Other Defaults. Grantor fails to comply with or to perform any other term, obligation, covenant or condition contained in this Assignment or in any of the Related Documents or to comply with or to perform any term, obligation, covenant or condition contained in any other agreement between Lender and Grantor.

Default on Other Payments. Failure of Grantor within the time required by this Assignment to make any payment for taxes or insurance, or any other payment necessary to prevent filing of or to effect discharge of any lien.

False Statements. Any warranty, representation or statement made or furnished to Lender by Grantor or on Grantor's behalf under this Assignment or the Related Documents is false or misleading in any material respect, either now or at the time made or furnished or becomes false or misleading at any time thereafter.

Defective Collateralization. This Assignment or any of the Related Documents ceases to be in full force and effect (including failure of any collateral document to create a valid and perfected security interest or lien) at any time and for any reason.

Death or Insolvency. The dissolution of Grantor's (regardless of whether election to continue is made), any member withdraws from the limited liability company, or any other termination of Grantor's existence as a going business or the death of any member, the insolvency of Grantor, the appointment of a receiver for any part of Grantor's property, any assignment for the benefit of creditors, any type of creditor workout, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against Grantor.

Creditor or Forfeiture Proceedings. Commencement of foreclosure or forfeiture proceedings, whether by judicial proceeding, self-help, repossession or any other method, by any creditor of Grantor or by any governmental agency against the Rents or any property securing the Indebtedness. This includes a garnishment of any of Grantor's accounts, including deposit accounts, with Lender. However, this Event of Default shall not apply if there is a good faith dispute by Grantor as to the validity or reasonableness of the claim which is the basis of the creditor or forfeiture proceeding and if Grantor gives Lender written notice of the creditor or forfeiture proceeding and deposits with Lender monies or a surety bond for the creditor or forfeiture proceeding, in an amount determined by Lender, in its sole discretion, as being an adequate reserve or bond for the dispute.

Property Damage or Loss. The Property is lost, stolen, substantially damaged, sold, or borrowed against.

Events Affecting Guarantor. Any of the preceding events occurs with respect to any Guarantor or any of the Indebtedness or any Guarantor dies or becomes incompetent, or revokes or disputes the validity of, or liability under, any Guaranty of the Indebtedness.

Adverse Change. A material adverse change occurs in Grantor's financial condition, or Lender believes the prospect of payment or performance of the Indebtedness is impaired.

Insecurity. Lender in good faith believes itself insecure.

Cure Provisions. If any default, other than a default in payment, is curable and if Grantor has not been given a notice of a breach of the same provision of this Assignment within the preceding twelve (12) months, it may be cured if Grantor, after Lender sends written notice to Grantor demanding cure of such default: (1) cures the default within fifteen (15) days; or (2) if the cure requires more than fifteen (15) days, immediately initiates steps which Lender deems in Lender's sole discretion to be sufficient to cure the default and thereafter continues and completes all reasonable and necessary steps sufficient to produce compliance as soon as reasonably practical.

RIGHTS AND REMEDIES ON DEFAULT. Upon the occurrence of any Event of Default and at any time thereafter, Lender may exercise any one or more of the following rights and remedies, in addition to any other rights or remedies provided by law:

Accelerate Indebtedness. Lender shall have the right at its option without notice to Grantor to declare the

**ASSIGNMENT OF RENTS
(Continued)**

Loan No: 204400

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entire Indebtedness immediately due and payable, including any prepayment penalty that Grantor would be required to pay.

Collect Rents. Lender shall have the right, without notice to Grantor, to take possession of the Property and collect the Rents, including amounts past due and unpaid, and apply the net proceeds, over and above Lender's costs, against the Indebtedness. In furtherance of this right, Lender shall have all the rights provided for in the Lender's Right to Receive and Collect Rents Section, above. If the Rents are collected by Lender, then Grantor irrevocably designates Lender as Grantor's attorney-in-fact to endorse instruments received in payment thereof in the name of Grantor and to negotiate the same and collect the proceeds. Payments by tenants or other users to Lender in response to Lender's demand shall satisfy the obligations for which the payments are made, whether or not any proper grounds for the demand existed. Lender may exercise its rights under this subparagraph either in person, by agent, or through a receiver.

Appoint Receiver. In any action by Lender for the foreclosure of this Assignment, whether by judicial foreclosure or power of sale, Lender shall be entitled to the appointment of a receiver upon any failure of Grantor to comply with any term, obligation, covenant, or condition contained in this Assignment, the Note, or any Related Documents.

Other Remedies. Lender shall have all other rights and remedies provided in this Assignment or the Note or by law.

Election of Remedies. Election by Lender to pursue any remedy shall not exclude pursuit of any other remedy, and an election to make expenditures or to take action to perform an obligation of Grantor under this Assignment, after Grantor's failure to perform, shall not affect Lender's right to declare a default and exercise its remedies.

Attorneys' Fees; Expenses. If Lender institutes any suit or action to enforce any of the terms of this Assignment, Lender shall be entitled to recover such sum as the court may adjudge reasonable as attorneys' fees at trial and upon any appeal. Whether or not any court action is involved, and to the extent not prohibited by law, all reasonable expenses Lender incurs that in Lender's opinion are necessary at any time for the protection of its interest or the enforcement of its rights shall become a part of the Indebtedness payable on demand and shall bear interest at the Note rate from the date of the expenditure until repaid. Expenses covered by this paragraph include, without limitation, however subject to any limits under applicable law, Lender's attorneys' fees and Lender's legal expenses, whether or not there is a lawsuit, including attorneys' fees and expenses for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), appeals, and any anticipated post-judgment collection services, the cost of searching records, obtaining title reports (including foreclosure reports), surveyors' reports, and appraisal fees, title insurance, and fees for the Trustee, to the extent permitted by applicable law. Grantor also will pay any court costs, in addition to all other sums provided by law.

MISCELLANEOUS PROVISIONS. The following miscellaneous provisions are a part of this Assignment:

Amendments. This Assignment, together with any Related Documents, constitutes the entire understanding and agreement of the parties as to the matters set forth in this Assignment. All prior and contemporaneous representations and discussions concerning such matters either are included in this document or do not constitute an aspect of the agreement of the parties. Except as may be specifically set forth in this Assignment, no conditions precedent or subsequent, of any kind whatsoever, exist with respect to Grantor's obligations under this Assignment. No alteration of or amendment to this Assignment shall be effective unless given in writing and signed by the party or parties sought to be charged or bound by the alteration or amendment.

Caption Headings. Caption headings in this Assignment are for convenience purposes only and are not to be used to interpret or define the provisions of this Assignment.

Governing Law. This Assignment will be governed by federal law applicable to Lender and, to the extent not preempted by federal law, the laws of the State of Oklahoma without regard to its conflicts of law provisions. This Assignment has been accepted by Lender in the State of Oklahoma.

Merger. There shall be no merger of the interest or estate created by this Assignment with any other interest or estate in the Property at any time held by or for the benefit of Lender in any capacity, without the written consent of Lender.

Interpretation. (1) In all cases where there is more than one Borrower or Grantor, then all words used in this Assignment in the singular shall be deemed to have been used in the plural where the context and construction so require. (2) If more than one person signs this Assignment as "Grantor," the obligations of each Grantor are joint and several. This means that if Lender brings a lawsuit, Lender may sue any one or more of the Grantors. If Borrower and Grantor are not the same person, Lender need not sue Borrower first, and that Borrower need not be joined in any lawsuit. (3) The names given to paragraphs or sections in this Assignment are for convenience purposes only. They are not to be used to interpret or define the provisions of this Assignment.

**ASSIGNMENT OF RENTS
(Continued)**

Loan No: 204400

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No Waiver by Lender. Lender shall not be deemed to have waived any rights under this Assignment unless such waiver is given in writing and signed by Lender. No delay or omission on the part of Lender in exercising any right shall operate as a waiver of such right or any other right. A waiver by Lender of a provision of this Assignment shall not prejudice or constitute a waiver of Lender's right otherwise to demand strict compliance with that provision or any other provision of this Assignment. No prior waiver by Lender, nor any course of dealing between Lender and Grantor, shall constitute a waiver of any of Lender's rights or of any of Grantor's obligations as to any future transactions. Whenever the consent of Lender is required under this Assignment, the granting of such consent by Lender in any instance shall not constitute continuing consent to subsequent instances where such consent is required and in all cases such consent may be granted or withheld in the sole discretion of Lender.

Notices. To the extent permitted by applicable law, any notice required to be given under this Assignment shall be given in writing, and shall be effective when actually delivered, when actually received by telefacsimile (unless otherwise required by law), when deposited with a nationally recognized overnight courier, or, if mailed, when deposited in the United States mail, as first class, certified or registered mail postage prepaid, directed to the addresses shown near the beginning of this Assignment. Any party may change its address for notices under this Assignment by giving formal written notice to the other parties, specifying that the purpose of the notice is to change the party's address. For notice purposes, Grantor agrees to keep Lender informed at all times of Grantor's current address. To the extent permitted by applicable law, if there is more than one Grantor, any notice given by Lender to any Grantor is deemed to be notice given to all Grantors.

Powers of Attorney. The various agencies and powers of attorney conveyed on Lender under this Assignment are granted for purposes of security and may not be revoked by Grantor until such time as the same are renounced by Lender.

Severability. If a court of competent jurisdiction finds any provision of this Assignment to be illegal, invalid, or unenforceable as to any circumstance, that finding shall not make the offending provision illegal, invalid, or unenforceable as to any other circumstance. If feasible, the offending provision shall be considered modified so that it becomes legal, valid and enforceable. If the offending provision cannot be so modified, it shall be considered deleted from this Assignment. Unless otherwise required by law, the illegality, invalidity, or unenforceability of any provision of this Assignment shall not affect the legality, validity or enforceability of any other provision of this Assignment.

Successors and Assigns. Subject to any limitations stated in this Assignment on transfer of Grantor's interest, this Assignment shall be binding upon and inure to the benefit of the parties, their successors and assigns. If ownership of the Property becomes vested in a person other than Grantor, Lender, without notice to Grantor, may deal with Grantor's successors with reference to this Assignment and the Indebtedness by way of forbearance or extension without releasing Grantor from the obligations of this Assignment or liability under the Indebtedness.

Time is of the Essence. Time is of the essence in the performance of this Assignment.

Waiver of Homestead Exemption. Grantor hereby releases and waives all rights and benefits of the homestead exemption laws of the State of Oklahoma as to all Indebtedness secured by this Assignment.

Waiver of Right of Redemption. NOTWITHSTANDING ANY OF THE PROVISIONS TO THE CONTRARY CONTAINED IN THIS ASSIGNMENT, GRANTOR HEREBY WAIVES ANY AND ALL RIGHTS OF REDEMPTION FROM SALE UNDER ANY ORDER OR JUDGMENT OF FORECLOSURE ON GRANTOR'S BEHALF AND ON BEHALF OF EACH AND EVERY PERSON, EXCEPT JUDGMENT CREDITORS OF GRANTOR, ACQUIRING ANY INTEREST IN OR TITLE TO THE PROPERTY SUBSEQUENT TO THE DATE OF THIS ASSIGNMENT.

DEFINITIONS. The following capitalized words and terms shall have the following meanings when used in this Assignment. Unless specifically stated to the contrary, all references to dollar amounts shall mean amounts in lawful money of the United States of America. Words and terms used in the singular shall include the plural, and the plural shall include the singular, as the context may require. Words and terms not otherwise defined in this Assignment shall have the meanings attributed to such terms in the Uniform Commercial Code:

Assignment. The word "Assignment" means this ASSIGNMENT OF RENTS, as this ASSIGNMENT OF RENTS may be amended or modified from time to time, together with all exhibits and schedules attached to this ASSIGNMENT OF RENTS from time to time.

Borrower. The word "Borrower" means MIDTOWN BUILDERS, LLC.

Default. The word "Default" means the Default set forth in this Assignment in the section titled "Default".

Event of Default. The words "Event of Default" mean any of the events of default set forth in this Assignment in the default section of this Assignment.

**ASSIGNMENT OF RENTS
(Continued)**

Loan No: 204400

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Grantor. The word "Grantor" means MIDTOWN BUILDERS, LLC.

Guarantor. The word "Guarantor" means any guarantor, surety, or accommodation party of any or all of the Indebtedness.

Guaranty. The word "Guaranty" means the guaranty from Guarantor to Lender, including without limitation a guaranty of all or part of the Note.

Indebtedness. The word "Indebtedness" means all principal, interest, and other amounts, costs and expenses payable under the Note or Related Documents, together with all renewals of, extensions of, modifications of, consolidations of and substitutions for the Note or Related Documents and any amounts expended or advanced by Lender to discharge Grantor's obligations or expenses incurred by Lender to enforce Grantor's obligations under this Assignment, together with interest on such amounts as provided in this Assignment. Specifically, without limitation, Indebtedness includes all amounts that may be indirectly secured by the Cross-Collateralization provision of this Assignment.

Lender. The word "Lender" means QUAIL CREEK BANK, N.A., its successors and assigns.

Note. The word "Note" means the promissory note dated January 27, 2017, in the original principal amount of \$1,326,165.17 from Grantor to Lender, together with all renewals of, extensions of, modifications of, refinancings of, consolidations of, and substitutions for the promissory note or agreement.

Property. The word "Property" means all of Grantor's right, title and interest in and to all the Property as described in the "Assignment" section of this Assignment.

Related Documents. The words "Related Documents" mean all promissory notes, credit agreements, loan agreements, environmental agreements, guaranties, security agreements, mortgages, deeds of trust, security deeds, collateral mortgages, and all other instruments, agreements and documents, whether now or hereafter existing, executed in connection with the Indebtedness.

Rents. The word "Rents" means all of Grantor's present and future rights, title and interest in, to and under any and all present and future leases, including, without limitation, all rents, revenue, income, issues, royalties, bonuses, accounts receivable, cash or security deposits, advance rentals, profits and proceeds from the Property, and other payments and benefits derived or to be derived from such leases of every kind and nature, whether due now or later, including without limitation Grantor's right to enforce such leases and to receive and collect payment and proceeds thereunder.

THE UNDERSIGNED ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS ASSIGNMENT, AND NOT PERSONALLY BUT AS AN AUTHORIZED SIGNER, HAS CAUSED THIS ASSIGNMENT TO BE SIGNED AND EXECUTED ON BEHALF OF GRANTOR ON JANUARY 27, 2017.

GRANTOR:

MIDTOWN BUILDERS, LLC

By: _____

**MARVA ELLARD, Member/Manager of MIDTOWN BUILDERS,
LLC**

ASSIGNMENT OF RENTS
(Continued)

Loan No: 204400

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LIMITED LIABILITY COMPANY ACKNOWLEDGMENT

STATE OF _____)
) SS
COUNTY OF _____)

Before me, the undersigned, a Notary Public in and for the above County and State, on this _____ day of _____, 20____, personally appeared **MARVA ELLARD, Member/Manager of MIDTOWN BUILDERS, LLC**, a member or designated agent of **MIDTOWN BUILDERS, LLC**, to me known to be the identical person who executed the Assignment on behalf of the limited liability company and acknowledged to me that **MARVA ELLARD, Member/Manager of MIDTOWN BUILDERS, LLC**, executed the same Assignment as his or her free and voluntary act and deed, and as the free and voluntary act and deed of said limited liability company, for the uses and purposes set forth in the Assignment.

Signed the _____ day of _____, 20____.

Notary Public

My Commission Expires: _____

Loan Number _____



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AGREEMENT TO PROVIDE INSURANCE

Principal	Loan Date	Maturity	Loan No	Call / Coll	Account	Officer	Initials
\$1,326,165.17	01-27-2017	01-27-2018	204400	165 / 30		JM	

References in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item. Any item above containing "****" has been omitted due to text length limitations.

Grantor: MIDTOWN BUILDERS, LLC
 616 NW 21ST STREET
 OKLAHOMA CITY, OK 73103

Lender: QUAIL CREEK BANK, N.A.
 P.O. BOX 20160
 OKLAHOMA CITY, OK 73156

INSURANCE REQUIREMENTS. Grantor, MIDTOWN BUILDERS, LLC ("Grantor"), understands that insurance coverage is required in connection with the extending of a loan or the providing of other financial accommodations to Grantor by Lender. These requirements are set forth in the security documents for the loan. The following minimum insurance coverages must be provided on the following described collateral (the "Collateral"):

Collateral: 620 NW 21ST, OKLAHOMA CITY, OK 73103.

Type: Fire and extended coverage.

Amount: Full Insurable Value.

Basis: Replacement value.

Endorsements: Standard mortgagee's clause with stipulation that coverage will not be cancelled or diminished without a minimum of 30 days prior written notice to Lender, and without disclaimer of the insurer's liability for failure to give such notice.

Deductibles: \$1,000.00.

Latest Delivery Date: By the loan closing date.

INSURANCE COMPANY. Grantor may obtain insurance from any insurance company Grantor may choose that is reasonably acceptable to Lender. Grantor understands that credit may not be denied solely because insurance was not purchased through Lender.

FLOOD INSURANCE. Flood Insurance for the Collateral securing this loan is described as follows:

Real Estate at 620 NW 21ST, OKLAHOMA CITY, OK 73103.

The Collateral securing this loan is not currently located in an area identified as having special flood hazards. Therefore, no special flood hazard insurance is necessary at this time. Should the Collateral at any time be deemed to be located in an area designated by the Administrator of the Federal Emergency Management Agency as a special flood hazard area, Grantor agrees to obtain and maintain Federal Flood Insurance, if available, within 45 days after notice is given by Lender that the Collateral is located in a special flood hazard area, for the full unpaid principal balance of the loan and any prior liens on the property securing the loan, up to the maximum policy limits set under the National Flood Insurance Program, or as otherwise required by Lender, and to maintain such insurance for the term of the loan. Flood insurance may be purchased under the National Flood Insurance Program or from private insurers.

INSURANCE MAILING ADDRESS. All documents and other materials relating to insurance for this loan should be mailed, delivered or directed to the following address:

QUAIL CREEK BANK, N.A.
 P.O. BOX 20160
 OKLAHOMA CITY, OK 73156

FAILURE TO PROVIDE INSURANCE. Grantor agrees to deliver to Lender, on the latest delivery date stated above, evidence of the required insurance as provided above, with an effective date of January 27, 2017, or earlier. Grantor acknowledges and agrees that if Grantor fails to provide any required insurance or fails to continue such insurance in force, Lender may do so at Grantor's expense as provided in the applicable security document. The cost of any such insurance, at the option of Lender, shall be added to the indebtedness as provided in the security document. GRANTOR ACKNOWLEDGES THAT IF LENDER SO PURCHASES ANY SUCH INSURANCE, THE INSURANCE WILL PROVIDE LIMITED PROTECTION AGAINST PHYSICAL DAMAGE TO THE COLLATERAL, UP TO AN AMOUNT EQUAL TO THE LESSER OF (1) THE UNPAID BALANCE OF THE DEBT, EXCLUDING ANY UNEARNED FINANCE CHARGES, OR (2) THE VALUE OF THE COLLATERAL; HOWEVER, GRANTOR'S EQUITY IN THE COLLATERAL MAY NOT BE INSURED. IN ADDITION, THE INSURANCE MAY NOT PROVIDE ANY PUBLIC LIABILITY OR PROPERTY DAMAGE INDEMNIFICATION AND MAY NOT MEET THE REQUIREMENTS OF ANY FINANCIAL RESPONSIBILITY LAWS.

AUTHORIZATION. For purposes of insurance coverage on the Collateral, Grantor authorizes Lender to provide to any person (including any insurance agent or company) all information Lender deems appropriate, whether regarding the Collateral, the loan or other financial accommodations, or both.

GRANTOR ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS AGREEMENT TO PROVIDE INSURANCE AND AGREES TO ITS TERMS. THIS AGREEMENT IS DATED JANUARY 27, 2017.

GRANTOR:

MIDTOWN BUILDERS, LLC

By: MARVA ELLARD, Member/Manager of MIDTOWN BUILDERS, LLC

FOR LENDER USE ONLY		
INSURANCE VERIFICATION		
DATE: _____	PHONE _____	
AGENT'S NAME: _____		
AGENCY: _____		
ADDRESS: _____		
INSURANCE COMPANY: _____		
POLICY NUMBER: _____		
EFFECTIVE DATES: _____		
COMMENTS: _____		



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Quail Creek Bank, n.a.

DISBURSEMENT REQUEST AND AUTHORIZATION

Principal	Loan Date	Maturity	Loan No	Call / Coll	Account	Officer	Initials
\$1,326,165.17	01-27-2017	01-27-2018	204400	165 / 30		JM	
References in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item. Any item above containing "****" has been omitted due to text length limitations.							

Borrower: MIDTOWN BUILDERS, LLC
616 NW 21ST STREET
OKLAHOMA CITY, OK 73103

Lender: QUAIL CREEK BANK, N.A.
P.O. BOX 20160
OKLAHOMA CITY, OK 73156

LOAN TYPE. This is a Variable Rate Nondisclosable Draw Down Line of Credit Loan to a Limited Liability Company for \$1,326,165.17 due on January 27, 2018.

PRIMARY PURPOSE OF LOAN. The primary purpose of this loan is for:

Personal, Family, or Household Purposes or Personal Investment.

Business (Including Real Estate Investment).

SPECIFIC PURPOSE. The specific purpose of this loan is: COMMERCIAL REMODEL - ADVANCING LINE OF CREDIT.

FLOOD INSURANCE. As reflected on Flood Map No. 40109C0285H dated 12-18-2009, for the community of OKLAHOMA CITY, some of the property that will secure the loan is not located in an area that has been identified by the Administrator of the Federal Emergency Management Agency as an area having special flood hazards. Therefore, although flood insurance may be available for the property, no special flood hazard insurance protecting property not located in an area having special flood hazards is required by law for this loan at this time.

DISBURSEMENT INSTRUCTIONS. Borrower understands that no loan proceeds will be disbursed until all of Lender's conditions for making the loan have been satisfied. Please disburse the loan proceeds of \$1,326,165.17 as follows:

Other Disbursements:	\$1,300,000.00
\$1,300,000.00 ADVANCE UPON REQUEST	

Other Charges Financed:	\$13,153.17
\$3,500.00 Robert Thompson Attorney At Law - Legal Fees	
\$3,500.00 Appraisal Fee	
\$75.00 Appraisal Shield	
\$500.00 Old Republic Closing Fee	
\$700.00 Old Republic Abstracting	
\$175.00 Old Republic Title Exam	
\$100.00 Old Republic UCC/FCC	
\$120.00 Old Republic Final Title Report	
\$3,025.00 Old Republic Title Insurance	
\$42.00 Oklahoma County Clerk - Mtg Filing Fee	
\$5.00 Oklahoma County Treasurer - Cert Fee	
\$1,326.17 Oklahoma County Treasurer - Mtg Tax	
\$20.00 Oklahoma County Clerk - UCC Filing Fees	
\$33.00 Future UCC & Mortgage Release Fee	
\$32.00 Oklahoma County Clerk - Assignment of Rents	

Total Financed Prepaid Finance Charges:	\$13,012.00
\$13,000.00 Loan Origination Fee (%)	
\$12.00 Flood Determination	

Note Principal: \$1,326,165.17

FINANCIAL CONDITION. BY SIGNING THIS AUTHORIZATION, BORROWER REPRESENTS AND WARRANTS TO LENDER THAT THE INFORMATION PROVIDED ABOVE IS TRUE AND CORRECT AND THAT THERE HAS BEEN NO MATERIAL ADVERSE CHANGE IN BORROWER'S FINANCIAL CONDITION AS DISCLOSED IN BORROWER'S MOST RECENT FINANCIAL STATEMENT TO LENDER. THIS AUTHORIZATION IS DATED JANUARY 27, 2017.

BORROWER:

MIDTOWN BUILDERS, LLC

By: MARVA ELLARD, Member/Manager of MIDTOWN BUILDERS, LLC

SUBORDINATION AGREEMENT

This Subordination Agreement (the "Agreement") is made as of the ____ day of _____, 2017, by and among **MIDTOWN BUILDERS, LLC**, an Oklahoma limited liability company ("Borrower"), **QUAIL CREEK BANK, N. A.** ("Senior Lender"), and the **OKLAHOMA CITY URBAN RENEWAL AUTHORITY**, a public body corporate ("Subordinated Lender").

RECITALS:

A. Pursuant to a Business Loan Agreement dated _____, 2017, Senior Lender has made a loan (the "Senior Loan Agreement") to Borrower, which is evidenced by a Promissory Note in the amount of \$1,326,165.17 (the "Senior Note") from Borrower to Senior Lender and secured, in part, by a Mortgage dated _____, 2017 (the "Senior Mortgage"), encumbering the real property described on Exhibit "A" attached hereto and made a part hereof (the "Property"). All other documents and instruments evidencing and/or securing the Senior Note or now or hereafter executed by Borrower in connection with or related to the Senior Loan Agreement are collectively, referred to as the "Senior Loan Documents," and the indebtedness and obligations of Borrower to Senior Lender under the Senior Loan Documents are collectively referred to herein as the "Senior Debt," including extensions or renewals thereof.

B. Borrower and Subordinated Lender are parties to that certain Contract for Redevelopment dated November 28, 2014, as thereafter amended (collectively, the "Subordinated Loan Agreement"), which provided for Subordinated Lender to make a loan to Borrower in the principal amount of \$400,000 as evidenced by a certain Promissory Note and Mortgage with Power of Sale, Security Agreement and Financing Statement from Borrower to Subordinated Lender recorded on January 2, 2015, in Book RE 12720, at Page 1934, *et seq.*, of the Oklahoma County Clerk's Office, which also encumbers the Property (the "Subordinated Mortgage"). All other documents and instruments evidencing and/or securing the Subordinated Note or now or hereafter executed by Borrower in connection with or related to the Subordinated Loan Agreement (collectively, the "Subordinated Loan Documents"), and the indebtedness and obligations of Borrower to Subordinated Lender under the Subordinated Loan Documents are collectively referred to herein as the "Subordinated Debt."

C. Senior Lender and Subordinated Lender desire to enter into this Agreement to provide for the relative priority of the Senior Debt and the Subordinated Debt on the terms and conditions set forth below, and to evidence certain agreements with respect to the Senior Loan Documents and the Subordinated Loan Documents.

AGREEMENTS:

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby covenant and agree as follows:

1. Subordination. Subject to the provisions of this Agreement, Subordinated Lender agrees that the Subordinated Debt and any and all rights of Subordinated Lender to receive payment on the Subordinated Debt under all Subordinated Loan Documents now or hereafter evidencing the Subordinated Debt, are and shall be in all respects subordinate, junior and inferior in right, time and priority of payment and collection to the Senior Debt.

2. Priorities Regarding Collateral. The Senior Mortgage encumbering the Property, and any and every lien and security interest in property which now constitutes or hereafter will constitute collateral or other security for payment of the Senior Debt in favor of or held for the benefit of Senior Lender (collectively, the "Collateral") has and shall have priority over the Subordinated Mortgage and any lien or security interest that Subordinated Lender now has or may hereafter acquire in the Collateral. Subordinated Lender shall not hereafter acquire, by subrogation, contract or otherwise, any lien upon or other estate, right or interest in the Collateral or any other property of Borrower or any guarantor or any rents or revenues therefrom that is or may be prior in right to or on parity with the Senior Loan Documents.

3. Payments on Subordinated Debt. So long as Subordinated Lender has not received notice of any Event of Default (as defined in the Senior Loan Agreement) under the Senior Loan Documents that has occurred and is continuing, Subordinated Lender may accept regularly scheduled interest and principal payments from Borrower pursuant to the terms and conditions set forth in the Subordinated Loan Documents.

4. Bankruptcy of Borrower. Subordinated Lender agrees that in the event of reorganization, liquidation, dissolution, bankruptcy, receivership, assignment for the benefit of creditors or any other action or proceeding of Borrower involving all or any part of the Senior Debt or the Subordinated Debt, or involving the application of the assets of Borrower to the payment or liquidation of the Senior Debt or the Subordinated Debt, either in whole or in part (each an "Insolvency Proceeding"), Senior Lender will be entitled (i) to receive payment in full of the Senior Debt prior to the payment of all or any portion of the Subordinated Debt then outstanding, and (ii) to assert and enforce such rights in any such Insolvency Proceeding.

5. Default Notices. Each party shall copy the other party on all written notices sent to Borrower or any guarantor with respect to any default, event of default or acceleration under the Senior or Subordinated Loan Documents, as applicable, and shall send such notices at the same time and in the same manner delivered to Borrower or such guarantor. Subordinated Lender acknowledges and agrees that Senior Lender's failure to provide Subordinated Lender with a copy of any default notice shall not defeat or impair the subordination agreements herein made.

6. Subordinated Lender's Cure Rights.

(a) Senior Lender's Enforcement Rights. Except as expressly set forth in this Section 6, nothing in this Agreement is intended to limit, restrict or impair the rights and remedies of Senior Lender in respect of any default or event of default under the Senior Loan Documents (an "Event of Default" for purposes of this Section 6). Notwithstanding anything in this Section 6 to the contrary, Senior Lender shall be entitled to take any action (including commencing any action or proceeding to realize on its collateral under the Senior Loan Documents and/or accelerating the Senior Debt) if such action is required to preserve, or prevent the loss of, Senior Lender's first, prior perfected security interest in, and lien on, the Collateral.

(b) Monetary. Subordinated Lender shall have the right (but not the obligation) to cure any monetary Event of Default under the Senior Loan Documents at any time prior to or within ten (10) business days after the later of (x) the expiration of any applicable grace or cure period provided in the Senior Loan Documents and (y) the date that Subordinated Lender receives written notice from Senior Lender of such monetary Event of Default.

(c) Non-Monetary. Subordinated Lender shall also have the right (but not the obligation) to cure any non-monetary Event of Default (other than an Event of Default resulting from an Insolvency Proceeding or otherwise resulting from the insolvency of Borrower or any guarantor and causing an Event of Default under the Senior Loan Documents, collectively referred to herein as an "Insolvency Event of Default") under the Senior Loan Documents at any time prior to or within thirty (30) days after the later of (x) the expiration of the applicable grace or cure period provided in the Senior Loan Documents and (y) the date that Subordinated Lender receives written notice from Senior Lender of such non-monetary Event of Default (the "Cure Period"), so long as during such Cure Period Subordinated Lender is timely curing (or causing to be timely cured) all monetary Events of Default within the period specified above in Section 6(b).

7. Estoppel Certificates. Each party hereby agrees that, within ten (10) business days after demand by the other party, it shall execute and deliver a certification setting forth (i) the total outstanding balance of the Senior or Subordinated Debt, as applicable, itemized to show the components thereof, (ii) that there are no material defaults under the Senior or Subordinated Loan Documents, as applicable, or, if defaults have occurred and are continuing, describing such defaults, (iii) that there are no material defaults under this Agreement or, if defaults have occurred and are continuing, describing such defaults, and (iv) that this Agreement remains in full force and effect, and any and all such certifications shall be conclusive as to the matters set forth therein, and shall be fully binding upon such party and its successors and assigns.

8. Notices. Any notices, communications and waivers under this Agreement shall be in writing and shall be (a) delivered in person, (b) mailed, postage prepaid, either by registered or certified mail, return receipt requested, or (c) by overnight express carrier, addressed in each case as follows:

To Senior Lender: Quail Creek Bank, N.A.
P.O. Box 20160
Oklahoma City, OK 73156

With a copy to: Robert C. Thompson
Cheek & Falcone, PLLC
6301 Waterford Blvd., Suite 320
Oklahoma City, OK 73118

To the Borrower: Midtown Builders, LLC
c/o Marva Ellard
1521 N. Shartel
Oklahoma City, OK 73103

With a copy to: Andrew Harroz
MULINIX EDWARDS ROSELL & GOERKE,
A Professional Limited Liability Company
3030 Oklahoma Tower
210 Park Avenue
Oklahoma City, Oklahoma 73102

To Subordinated Lender: Oklahoma City Urban Renewal Authority
105 North Hudson Avenue, Suite 101
Oklahoma City, Oklahoma 73102
Attn: Catherine O'Connor, Executive Director

With a copy to: Leslie V. Batchelor
Center for Economic Development Law
301 North Harvey Avenue, Suite 100
Oklahoma City, Oklahoma 73102

or to any other address as to any of the parties hereto, as such party shall designate in a written notice to the other party hereto. All notices sent pursuant to the terms of this section shall be deemed received (i) if personally delivered, then on the date of delivery, (ii) if sent by overnight, express carrier, then on the next federal banking day immediately following the day sent, or (iii) if sent by registered or certified mail, then on the earlier of the third federal banking day following the day sent or when actually received.

9. Continuing Validity; Rescinded Payments. Subject to the last sentence in this Section 9, this Agreement shall terminate upon the date there has been an indefeasible payment in full of the Senior Debt. Notwithstanding the foregoing, to the extent that Senior Lender receives payments on, or proceeds of the Collateral for, the Senior Debt which are subsequently invalidated, declared to be fraudulent or preferential, set aside and/or required to be repaid to a trustee, receiver or any other person under any bankruptcy law, state or federal law, common law or equitable cause (“Rescinded Payments”), then the Senior Debt, the Senior Loan Documents and this Agreement shall be deemed revived in respect of the Rescinded Payments with the same force and effect as if

such Rescinded Payments had never been made to Senior Lender, whereupon any amounts (up to the total amount of the Rescinded Payments) theretofore received by the Subordinated Lender on account of the Subordinated Debt shall be deemed to have been received by the Subordinated Lender in trust for the benefit of Senior Lender and Subordinated Lender shall forthwith deliver the same to Senior Lender for application against the Senior Debt.

10. No Third Party Beneficiaries. By their execution of this Agreement, Senior Lender and Subordinated Lender do not intend to create any rights of any kind in any third parties (other than any participants and successors and assignees of Senior Lender or, to the extent permitted, Subordinated Lender).

11. Counterparts. This Agreement may be executed in multiple counterparts, each of which will be deemed an original instrument, but all of which will constitute one agreement.

12. Governing Law. This Agreement will be construed in accordance with the laws of the State of Oklahoma.

13. Binding Effect. This Agreement will inure to the benefit of and bind the parties hereto and their respective heirs, personal representatives, successors and assigns.

14. Authority. Each of the parties hereto represents and warrants that (i) it has full power, authority, and legal right to make and perform this Agreement, and (ii) this Agreement is its legal, valid, and binding obligation, enforceable against it in accordance with its terms.

15. Amendment. Neither this Agreement nor any of the terms hereof may be amended, waived, discharged, or terminated unless in writing signed by Senior Lender and Subordinated Lender.

16. No Waiver; Cumulative Benefit. No failure to exercise, and no delay in exercising on the part of any party hereto, any right, power or privilege under this Agreement shall operate as a waiver thereof; nor shall any single or partial exercise of any right, power or privilege under this Agreement preclude any other or further exercise thereof or the exercise of any other right, power, or privilege. The rights and remedies provided in this Agreement are cumulative and shall not be exclusive of any rights or remedies provided by law. Any agreements, documents, or instruments which at any time evidence the Subordinated Debt or any part thereof shall be marked with a legend or other clear and noticeable provision stating that payment thereunder is subject to the terms and provisions of this Agreement.

17. Prevailing Party Fees. The prevailing party (as finally determined by a court of competent jurisdiction) shall be entitled to recover its reasonable out-of-pocket court costs and attorney fees incurred in connection with enforcing its rights and remedies against the other party under this Agreement or in connection with any claim made or dispute under this Agreement by one party thereto against the other such party.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the Subordinate Lender has duly executed this Subordination Agreement effective as of the date set forth above.

SUBORDINATE LENDER: OKLAHOMA CITY URBAN RENEWAL AUTHORITY, a public body corporate

By: _____
Catherine O'Connor, Executive Director

ACKNOWLEDGEMENT

STATE OF OKLAHOMA)
) ss:
COUNTY OF OKLAHOMA)

On this the ____ day of _____, 2017, before me, the undersigned notary public, personally appeared Catherine O'Connor, who acknowledged herself to be the duly authorized officer of the OKLAHOMA CITY URBAN RENEWAL AUTHORITY, a public body corporate, and that she, as such duly authorized officer, being authorized so to do, executed the foregoing instrument for the purposes therein contained.

IN WITNESS WHEREOF I hereunto set my hand and official seal.

Notary Public

My Commission Expires: _____
My Commission Number: _____

IN WITNESS WHEREOF, the Senior Lender has duly executed this Subordination Agreement effective as of the date set forth above.

SENIOR LENDER:

QUAIL CREEK BANK, N.A.

By: _____
Name: _____
Title: _____

ACKNOWLEDGEMENT

STATE OF OKLAHOMA)
) ss:
COUNTY OF OKLAHOMA)

On this the ____ day of _____, 2017, before me, the undersigned notary public, personally appeared _____, who acknowledged himself to be the _____ of QUAIL CREEK BANK, N.A., and that he, as such duly authorized officer, being authorized so to do, executed the foregoing instrument for the purposes therein contained.

IN WITNESS WHEREOF I hereunto set my hand and official seal.

Notary Public

My Commission Expires: _____
My Commission Number: _____

EXHIBIT "A"

Legal Description of Property

Lots Three (3) through Eight (8), both inclusive, Block Thirty (30), University Addition, to Oklahoma City, Oklahoma County, Oklahoma, according to the recorded plat thereof

OKLAHOMA CITY

URBAN
RENEWAL
AUTHORITY

To: Board of Commissioners of the Oklahoma City Urban Renewal Authority
From: Catherine O'Connor, Executive Director
Date: April 19, 2017
Ref: Resolution Authorizing the Acquisition of Real Property (Lower Park Buffer, All of Block 8, South Park Addition) by Negotiation or by Exercise of Eminent Domain, if necessary, Core to Shore Urban Renewal Plan

Background: The objectives of the Core to Shore Urban Renewal Plan include the creation of a vibrant urban neighborhood to be anchored by a new convention center and a central park. OCURA is responsible for implementation of the Plan, including the acquisition of parcels within the Urban Renewal Area that are adjacent to or in close proximity to the central park. Acquisition of property in Block 8 adjacent to the Lower Park is necessary to carry out the objectives of the plan. It is appropriate to authorize the acquisition of this property by direct negotiation and/or by the exercise of the power of eminent domain, as needed, in accordance with OCURA's adopted acquisition policies and procedures.

Purpose of Agenda Item: The proposed resolution authorizes the acquisition by negotiating or exercising eminent domain, if necessary, for a portion of Block 8 adjacent to the Lower Park in the Core to Shore Urban Renewal Area.

Staff Recommendation: Approval of Resolution

Attachments: n/a

RESOLUTION NO. _____

RESOLUTION AUTHORIZING THE ACQUISITION OF REAL PROPERTY (LOWER PARK BUFFER, ALL OF BLOCK 8, SOUTH PARK ADDITION) BY NEGOTIATION OR BY EXERCISE OF EMINENT DOMAIN, IF NECESSARY, CORE TO SHORE URBAN RENEWAL PLAN

WHEREAS, on March 2, 2010, the City Council of the City of Oklahoma City (“City”) approved the Core to Shore Urban Renewal Plan (as amended, the “Urban Renewal Plan”) in accordance with the Oklahoma Urban Redevelopment Law, 11 O.S. §38-101, *et seq.* (“Act”), and authorized the Oklahoma City Urban Renewal Authority (“Authority”) to carry out the Urban Renewal Plan; and

WHEREAS, a key objective of the Urban Renewal Plan is the creation of a vibrant urban neighborhood to be anchored by a new convention center and a central park that connects the Central Business District to the Oklahoma River and is a welcoming place for the entire community; and

WHEREAS, in accordance with the Act and the Urban Renewal Plan, the Authority is authorized and directed to carry out certain responsibilities for implementation of the Urban Renewal Plan, including the acquisition of specific parcels within the Core to Shore Urban Renewal Area that are adjacent to or in close proximity to the central park; and

WHEREAS, the Urban Renewal Plan provides for the acquisition of certain real property, and it is specifically found that the acquisition of said property is necessary to achieve the objectives of and to carry out the Urban Renewal Plan; and

WHEREAS, the Urban Renewal Plan requires that the Policies and Procedures for Residential and Commercial Acquisition and Relocation Services of the Oklahoma City Urban Renewal Authority (“Policies”) be utilized in order to provide a feasible method for the relocation of any individuals or businesses displaced into decent, safe, and sanitary accommodations within their means and without undue hardship, consistent with the Act; and

WHEREAS, the Urban Renewal Plan authorizes the acquisition of the property described on the attached Exhibit A, the northern-most block of the lower park buffer acquisition area, which is more particularly described as all of Block 8, South Park Addition to Oklahoma City (“Property”); and

WHEREAS, the Authority finds it necessary and appropriate to authorize the acquisition of the Property by direct negotiation and/or by the exercise of the power of eminent domain, as needed, to achieve the objectives of the Urban Renewal Plan, in accordance with the Act and the Policies, and to authorize the Executive Director to disburse funds in payment therefore.

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of the Oklahoma City Urban Renewal Authority that:

1. It is hereby determined that acquisition of the Property is necessary to achieve the objectives of and to carry out the Urban Renewal Plan.
2. The Executive Director, with the assistance of legal counsel of the Authority, is hereby authorized to negotiate and enter into contracts for the acquisition of the Property and to disburse funds in payment therefore in accordance with the Urban Renewal Plan and the Policies.
3. The Executive Director and legal counsel of the Authority are authorized and directed to take all necessary actions to acquire title in fee simple absolute or lesser interest to the Property by the exercise of eminent domain, if necessary, in the name of the Authority, in accordance with the Urban Renewal Plan and the Policies.

I, _____, Secretary of the Board of Commissioners of the Oklahoma City Urban Renewal Authority, certify that the foregoing Resolution No. _____ was duly adopted at a **regular** meeting of the Board of Commissioners of the Oklahoma City Urban Renewal Authority, held at the Arts District Garage Conference Room, 431 West Main Street, Suite B, Oklahoma City, Oklahoma 73102, on the **19th** day of **April, 2017**; that said meeting was held in accordance with the By-Laws of the Authority and the Oklahoma Open Meetings Act; that any notice required to be given of such meeting was properly given; that a quorum was present at all times during said meeting; and that the Resolution was duly adopted by a majority of the Commissioners present.

SECRETARY

(SEAL)

EXHIBIT A

Legal Description of the Property

Lots 1 through 28, Block 8, South Park Addition to Oklahoma City, Oklahoma County, Oklahoma, according to the recorded plat thereof.



OKLAHOMA CITY

URBAN
RENEWAL
AUTHORITY

To: Board of Commissioners
From: Catherine O'Connor, Executive Director
Date: April 19, 2017
Ref: Resolution Approving Real Estate Acquisition Agreements with the City of Oklahoma City, Core to Shore Urban Renewal Plan

Background: OCURA is acquiring property, portions of which are necessary for the MAPS 3 convention center and the construction of a new street along on the east side of the convention center, and therefore should be conveyed to the City. The City owns property, portions of which are not necessary for the convention center and the new street but are appropriate for redevelopment consistent with the Urban Renewal Plan, and therefore should be conveyed to OCURA. The Executive Director of OCURA and Legal Counsel have negotiated proposed Real Estate Acquisition Agreements to facilitate these transactions.

Staff recommends the approval of the proposed Real Estate Acquisition Agreements with the City and authorization for the Executive Director to finalize and execute the agreements and to disburse funds to the City for the property to be purchased by OCURA.

Purpose of Agenda Item:

1. Approve the Real Estate Acquisition Agreements by and between OCURA and the City and authorize the Executive Director, with the assistance of Legal Counsel if necessary, to finalize and execute the agreements and disburse funds to the City for the property to be purchased by OCURA.
2. Authorize the Executive Director and Legal Counsel to execute such documents and take such other actions as may be necessary or appropriate to implement this approval.

Recommendation: Approval of Resolution

Attachments: Resolution
Real Estate Agreements
Map of Property

RESOLUTION NO. _____

RESOLUTION APPROVING REAL ESTATE ACQUISITION AGREEMENTS WITH THE CITY OF OKLAHOMA CITY, CORE TO SHORE URBAN RENEWAL PLAN

WHEREAS, on March 2, 2010, the City Council of the City of Oklahoma City (“City”) approved the Core to Shore Urban Renewal Plan (as amended, the “Urban Renewal Plan”) in accordance with the Oklahoma Urban Redevelopment Law, 11 O.S. §38-101, *et seq.* (“Act”), and authorized the Oklahoma City Urban Renewal Authority (“Authority”) to carry out the Urban Renewal Plan; and

WHEREAS, a key objective of the Urban Renewal Plan is the creation of a vibrant urban neighborhood to be anchored by a new convention center and a central park that connects the Central Business District to the Oklahoma River; and

WHEREAS, in accordance with the Act and the Urban Renewal Plan, the Authority is authorized and directed to carry out certain responsibilities for implementation of the Urban Renewal Plan, including the acquisition of specific parcels within the Core to Shore Urban Renewal Area; and

WHEREAS, the Authority is acquiring certain property, portions of which are necessary for the MAPS 3 convention center and the construction of a new street along on the east side of the convention center, and therefore should be conveyed to the City; and

WHEREAS, the City owns certain property, portions of which are not necessary for the convention center and the new street but are appropriate for redevelopment consistent with the Urban Renewal Plan, and therefore should be conveyed to the Authority; and

WHEREAS, the properties proposed to be transferred between the Authority and the City include portions of V186, V189, and V193, the exact legal descriptions of which are being examined and finalized; and

WHEREAS, the Executive Director of the Authority and Legal Counsel have negotiated a proposed Real Estate Acquisition Agreement with the City for the sale of the property that the City requires for the MAPS 3 convention center and new street along the east side of the convention center and another proposed Real Estate Acquisition Agreement with the City for the purchase of the City-owned property that is not necessary for the convention center and new street and thus should be conveyed to the Authority for redevelopment purposes; and

WHEREAS, the Authority finds it appropriate and desirable to approve the proposed Real Estate Acquisition Agreements with the City and to authorize the Executive Director to finalize and execute said agreements and to disburse funds to the City for the property to be purchased by the Authority.

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of the Oklahoma City Urban Renewal Authority that:

1. The Real Estate Acquisition Agreements by and between the Authority and the City are hereby approved, and the Executive Director, with the assistance of Legal Counsel, is authorized to finalize and execute said agreements and to disburse funds to the City for the property to be purchased by the Authority.
2. The Executive Director and Legal Counsel are authorized to execute such documents and take such other actions as may be necessary or appropriate to implement this approval and the Real Estate Acquisition Agreements, consistent with the Urban Renewal Plan.

I, _____, Secretary of the Board of Commissioners of the Oklahoma City Urban Renewal Authority, certify that the foregoing Resolution No. _____ was duly adopted at a **regular** meeting of the Board of Commissioners of the Oklahoma City Urban Renewal Authority, held at the Arts District Garage Conference Room, 431 West Main Street, Suite B, Oklahoma City, Oklahoma 73102, on the **19th** day of **April, 2017**; that said meeting was held in accordance with the By-Laws of the Authority and the Oklahoma Open Meetings Act; that any notice required to be given of such meeting was properly given; that a quorum was present at all times during said meeting; and that the Resolution was duly adopted by a majority of the Commissioners present.

SECRETARY

(SEAL)

REAL ESTATE ACQUISITION AGREEMENT

THIS AGREEMENT dated as of _____, 20____, is made by and between The City of Oklahoma City, a municipal corporation (“City”), and The Oklahoma City Urban Renewal Authority, a public body corporate (“Authority”).

WITNESSETH:

1. *Authority for Transfer.* Title 11, Section 38-109 of the Oklahoma Statutes, allows the City to transfer title of property to the Authority for purposes of carrying out an urban Renewal Plan, like the Core to Shore Urban Renewal Plan. Property may be transferred to the Authority so long as special sales tax funds, like the Oklahoma City Capital Improvements Sales Tax fund, if used to acquire the property are reimbursed by the Authority.

2. *Agreement to Transfer title.* The Properties located at the corner of S.W. 5th Street and Shields Blvd and S.W. 7th Street and Shields Blvd were purchased by the City in December 2015 and February 2016, as part of larger parcels needed for the MAPS 3 Convention Center. These purchases were negotiated sales using Oklahoma City Capital Improvement Sales Tax funds. Pursuant to 11 O.S. §38-109, the City may transfer title of those Properties to the Authority for purposes of carrying out the Core to Shore Urban Renewal Plan so long as the sales tax funds used to acquire the Subject Properties are reimbursed by the Authority.

Pursuant to 11 O.S. §38-109, City hereby chooses and agrees to transfer title to the Authority and the Authority accepts title to such real properties located in Oklahoma City, Oklahoma County, Oklahoma and legally described and depicted in **Exhibit A** attached hereto (“Subject Properties” or “Properties”).

The Subject Properties includes without limitation: (a) the surface of the real estate (the “Land”) together with all of Seller's right, title, interest and estate in and to oil, gas and other minerals in and under the Land not previously reserved or conveyed of record; and (b) all of the buildings, structures and improvements in, upon and under the Land, buildings associated therewith, including any and all permanently attached fixtures and equipment therein and thereon not removed by seller on or before the Closing Date (the “Improvements”); and (c) all of the appurtenances belonging to the Land and all of Seller's right, title and interest in and to all streets, alleys and other public or private ways adjacent thereto, before or after vacation thereof.

3. *Agreement to Pay.* The Authority agrees to pay to the City, Six Hundred Two Thousand Two Hundred Seventy -Nine and 37/100 Dollars, (\$602,279.37) as reimbursement of the Oklahoma City Capital Improvement Sales Tax Funds expended in the acquisition of the Properties. Such payment shall be made by certified check at closing.

4. *Time and Place of Closing.* Closing shall occur at a location, date, and time mutually agreeable to the Authority and the City, (the “Closing Date”).

5. *Apportionments and Adjustments.* The following items are to be apportioned to and adjusted between the City and Authority as of the close of business on the Closing Date and are to be assumed and paid thereafter by the Authority:

(a) all utilities, if any;

(b) all real estate taxes, general or special, and all other public or governmental charges or assessments against the Properties, which are or may be payable on an annual basis (including charges, assessments, liens or encumbrances for sewer, water, drainage or other public improvements completed or commenced on or prior to the date hereof or subsequent thereto), whether assessments have been levied or not as of the Closing Date.

6. *Pre-Closing Requirements.* Within thirty (30) days from the date of this Agreement or such later time as may be provided for with respect to specific matters, the Authority, at the Authority's sole cost and expense, may obtain each of the following items:

6.1. *Title Insurance Commitment.* The Authority may obtain a commitment for an ALTA 1996 owner's policy of title insurance (the "Commitment") issued by the Title Company in the amount of the purchase of the Properties, showing marketable record title to the Properties, in the City according to the Title Standards adopted by the Oklahoma Bar Association, subject to recorded plat restrictions, recorded utility easements and zoning ordinances, including any of the oil, gas and other minerals not previously reserved or conveyed of record, and subject to such other exceptions or encumbrances of record which may be approved in writing by the Authority (the "Permitted Title Exceptions"). Copies of all instruments constituting an exception in the Commitment shall accompany the Commitment.

The owner's policy, when issued, shall insure over encroachments, overlaps, boundary line disputes and any other matters which would be disclosed by an accurate survey and inspection, and shall delete all exceptions relating to survey matters and to mechanic's and materialmen's liens.

6.2. *Survey.* The Authority may obtain an "as built" survey, prepared in accordance with ALTA/ACSM Minimum Standard Detail Requirements covering the Land, showing all Improvements, fences, easements, rights-of-way, building lines, roads and/or alleys and showing no encroachments upon the Land and no encroachments by any of the Improvements onto the adjacent property or onto recorded rights-of-way or easements. The survey shall be prepared by a registered land surveyor and shall contain a certification in favor of the Authority and the Title Company that the survey is correct and accurate, the form and content of which certification shall in any event be approved by the Title Company for purposes of deleting the standard survey exceptions from the owner's policy of title insurance.

6.3. *UCC Search.* The Authority may obtain a Uniform Commercial Code search which reflects that all personal property deemed fixtures hereunder is free from any security interest.

7. *Events Occurring at Closing.*

7.1. *City's Performance.* The City shall deliver to the Authority:

(a) Good and sufficient warranty deeds fully and duly executed and acknowledged, conveying fee simple title in and to the Properties to the Authority including any of the oil, gas and other minerals not previously reserved or conveyed of record, and subject only to the permitted title exceptions.

7.2. *Authority's Performance.* The Authority shall deliver to the City a certified check in the amount necessary to reimburse the City the amount of Oklahoma City Capital Improvement Sales Tax Funds expended in the acquisition of the Properties.

8. *Closing Costs.* The Authority shall pay all costs and expenses associated and in connection with Closing. The parties agree Closing Costs do not include legal expenses.

9. *Possession and Condition of the Properties.* Possession of the Properties shall be given to the Authority at closing. At closing, the condition of the Properties shall be in a reasonable condition, free and clear of trash and debris. On or before the Closing Date, the City shall remove or cause to be removed any and all items of personal property not to be conveyed to the Authority by the terms hereof.

10. *Access Pending Closing.* After execution of this Agreement, each of the parties' consultants, agents, architects and contractors shall have the right to enter the Properties, at their own risk and at reasonable times, for the purpose of examination and study. Entries shall be made at such times and in such a manner as to not interfere with the other. The Authority shall give the City at least twenty-four (24) hours advance notice of any such entry. Upon request, the parties shall work together to share documents without charge, including but not limited to, copies of all drawings, specifications, utility plans, engineering data, environmental reports and/or audits, and all other plans, reports or information, with respect to the Properties.

11. *Representations and Warranties.* The Parties hereby represent and warrant as follows:

11.1 *Mechanics Liens.* No work has been performed or is in progress at, and no materials have been furnished to, the Properties, which though not presently the subject of a lien might give rise to mechanics', materialmen's or other liens against the City's interest in the Properties or any improvements later erected on the Properties.

11.2 *Compliance with Laws.* Neither the entering into of this Agreement nor the consummation of the transaction contemplated hereby shall constitute or result in a violation or breach by the either party of any judgment, order, writ, injunction or decree issued against or imposed upon it, or shall result in a violation of any applicable law, order, rule or regulation of any governmental authority.

11.3 *Hazardous Substances.* Prior to closing, the Authority may, at its expense, complete a general Phase I Environmental Assessment or Audit and such other environmental audits, assessments, reports, studies and tests for any specific materials the Authority desires. If the result of any Phase I Environmental Assessment or Audit or any other test or reports for Hazardous Substances or asbestos or asbestos containing materials are unacceptable to Authority, the Authority may, (a) terminate this Agreement by furnishing written notice of termination to the City and/or (b) waive the defects and proceed to closing.

With respect to the terms “Hazardous Substances” and “Environmental Laws,” they shall have the following meaning and definitions:

(i) *Environmental Laws:* means the Comprehensive Environmental Response, Compensation and Liability Act, as amended, 42 U.S.C. 9601, *et seq.* in the Superfund Amendments and Reauthorization Act, 42 U.S.C. 9601, *et seq.* and in the Resource Conservation and Recovery Act, 42 U.S.C. 6901, *et seq.* and in the Clean Air Act, 42 U.S.C. 7401, *et seq.*, as any of the preceding may be amended from time to time, and any other substances considered hazardous, toxic or otherwise harmful pursuant to any other applicable laws or regulations relating to pollution or protection of human health or the environment.

(ii) *Hazardous Substances:* means substances defined as a “hazardous substance” or “toxic substance” in the Environmental Laws in effect on the date any representation or warranty is made pursuant to this Agreement.

12. *Notices.* Any notices required or permitted to be given by either party to the other shall have been deemed to have been served when hand delivered or, if the United States Mail is used, on the three (3) business day after the notice is deposited in the United States Mail, postage prepaid, registered or certified mail, and addressed to the parties as follows:

To Authority
Oklahoma City Urban Renewal Authority
Catherine O’Connor
105 N. Hudson Ave. #101
Oklahoma City, OK 73102

To City:
The City of Oklahoma City
David E. Todd, P.E.
MAPS Project Manager
420 West Main, Suite 400
Oklahoma City, OK 73102

With copy to: Frances Kersey, City Clerk
200 North Walker, 2nd Floor
Oklahoma City, OK 73102

Either party, by written notice to the other, may change its address to which notices are to be sent.

13. *Default and Penalties.*

(a) *Defaults.* A Party shall be deemed to be in default hereunder in the event that the party fails to comply with or observe any covenant, agreement, or obligation provided herein to be performed within the time limits and in the manner required herein.

(b) *Remedies.* In the event a party shall be deemed to be in default by virtue of the occurrence of any one or more of the events specified herein, the other party may, at its option terminate this Agreement by written notice delivered to the defaulting party on or before Closing Date, and on such termination, the parties shall have no further obligations under this Agreement.

14. *Miscellaneous Provisions.*

14.1. *Gender.* As used herein the singular shall include the plural, the plural the singular, and the use of any gender shall be applicable to all genders.

14.2. *Binding Effect.* This Agreement shall be binding upon the parties hereto and on their respective successors or assigns.

14.3. *Entire Agreement.* This Agreement contains the final and entire agreement between the parties and they shall not be bound by any terms, conditions, statements or representations, oral or written, not herein contained. Any subsequent amendment to this Agreement shall be valid only if executed in writing by both parties to this Agreement or their successors or assigns.

14.4. *Governing Law.* This Agreement shall be construed, interpreted and enforced according to the laws of the State of Oklahoma without regard to principles of conflict of laws. Jurisdiction and venue for any action pertaining to this Agreement shall be the Oklahoma County District Court.

14.5. *Time.* Time shall be of the essence for this Agreement.

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement and affixed their seals as of the date and year first above written.

[SIGNATURE PAGE FOLLOWS]

APPROVED by the Council and signed by the Mayor of The City of Oklahoma City, Oklahoma, this ____ day of _____, 2017.

ATTEST

CITY CLERK

MAYOR

REVIEWED for form and legality.

ASSISTANT MUNICIPAL COUNSELOR

APPROVED by the Oklahoma City Urban Renewal Authority this ____ day of _____, 2017.

EXECUTIVE DIRECTOR

EXHIBIT A-1

LEGAL DESCRIPTION TRACT 3

All of Lots Five (5) and Six (6) and a part of Lots Seven (7) and Eight (8), all in Block Twenty-one (21), South Oklahoma Addition to the City of Oklahoma City, Oklahoma County, Oklahoma, according to plat thereof recorded in Book 1 of Plats, Page 16, and being more particularly described as follows:

COMMENCING at the northwest corner of Block Twenty-one (21), of said South Oklahoma Addition;

THENCE North 89°39'04" East, along the north line of said Block Twenty-one (21), a distance of 234.67 feet to the POINT OF BEGINNING;

THENCE continuing North 89°39'04" East, along said north line, a distance of 65.33 feet;

THENCE South 00°20'33" East a distance of 141.21 feet to the north right-of-way line of the east/west alley in said Block Twenty-one (21);

THENCE South 89°40'46" West, along said north right-of-way line, a distance of 90.32 feet;

THENCE North 00°20'43" West a distance of 116.17 feet;

THENCE North 44°39'04" East a distance of 35.36 feet to the POINT OF BEGINNING.

Said tract of land contains 12,440 square feet or 0.2856 acres more or less.

SHIELDS BOULEVARD

BM # 205
EL=1193.40

S 00°20'33" E
141.21'

N 89°39'04" E
65.33'

SOUTH OKLAHOMA
ADDITION
TRACT 3

S 89°40'46" W
90.32'

P.O.B.

BLOCK 21

20' ALLEY

N 44°39'04" E
35.36'

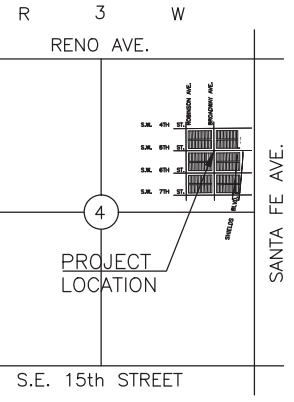
N 00°20'43" W
116.17'

4" COATED STEEL GAS
LINE PER LONG ATLAS,
NOT FIELD VERIFIED.

S.W. 5TH STREET

N 89°39'04" E
234.67'

P.O.C.



SCALE:
1"=50'

SHEET
TRACT 3

OKLAHOMA CITY CONVENTION CENTER OKLAHOMA CITY, OKLAHOMA TRACT 3

PROJ. 113834
DATE: 10-18-16
DRAWN BY: BAW
DESIGNED BY: GWN
CHECKED BY: GWN

OKLAHOMA CITY
100 N.E. 24th Street
Oklahoma City,
Oklahoma 73104
T: 405.840.2288
F: 405.840.9116
www.orok.com

NORMAN
3201 S. Berry Road,
Suite 100
Norman, OK 73072
T: 405.418.2288
F: 405.418.2289
info@orok.com

CERTIFICATE OF AUTHORIZATION NO. 3369 EXPIRES JUNE 30, 2017

EXHIBIT A-2

LEGAL DESCRIPTION TRACT 6

A part of Lots Twenty-five (25) and Twenty-six (26), Block Thirty (30), South Oklahoma Addition to the City of Oklahoma City, Oklahoma County, Oklahoma, according to plat thereof recorded in Book 1 of Plats, Page 16, and being more particularly described as follows:

COMMENCING at the southwest corner of Block Thirty (30), of said South Oklahoma Addition;

THENCE North $89^{\circ}43'13''$ East, along the south line of said Block Thirty (30), a distance of 234.71 feet to the POINT OF BEGINNING;

THENCE North $45^{\circ}18'30''$ West a distance of 35.38 feet;

THENCE North $00^{\circ}20'43''$ West a distance of 115.73 feet to the south right-of-way line of the east/west alley in said Block Thirty (30)

THENCE North $89^{\circ}42'51''$ East, along said south right-of-way line, a distance of 40.30 feet;

THENCE South $00^{\circ}20'33''$ East a distance of 140.74 feet to the south line of said Block Thirty (30);

THENCE South $89^{\circ}43'13''$ West, along the south line of said Block Thirty (30), a distance of 15.29 feet to the POINT OF BEGINNING.

Said tract of land contains 5,359 square feet or 0.1230 acres more or less.



SHIELDS BOULEVARD

SOUTH OKLAHOMA ADDITION TRACT 6 BLOCK 30

S.W. 7TH STREET

20' ALLEY

ONE STORY METAL BUILDING
17,584 SQUARE FEET
HEIGHT=24.0'

2" PE GAS LINE PER
ONG ATLAS. "NOT FIELD
VERIFIED."

R 3 W

RENO AVE.

T
11
N

WESTERN AVE.

4
PROJECT LOCATION

S.E. 15th STREET

LOCATION MAP
SCALE: N.T.S.

SANTA FE AVE.



32

31

30

29

28

S 00°20'33" E
140.74'

27

S 89°43'13" W
15.29'

P.O.B.

N 89°42'51" E
40.30'

125.6'

N 45°18'30" W
35.38'

N 00°20'43" W
115.73'

N 89°43'13" E
234.71'

P.O.C.

SCALE:
1"=50'

SHEET
TRACT 6

OKLAHOMA CITY CONVENTION CENTER
OKLAHOMA CITY, OKLAHOMA
TRACT 6

PROJ. 113834
DATE: 10-18-16
DRAWN BY: BAW
DESIGNED BY: GWN
CHECKED BY: GWN



OKLAHOMA CITY
100 N.E. 24th Street
Oklahoma City,
Oklahoma 73104
T: 405.840.2004
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NORMAN
3201 S. Berry Road,
Suite 100
Norman, OK 73072
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F: 405.418.2289
info@ofsr.com

CERTIFICATE OF AUTHORIZATION NO. 3349 EXPIRES JUNE 30, 2017

REAL ESTATE PURCHASE AGREEMENT

THIS AGREEMENT dated as of _____, 20____, is made by and between The Oklahoma City Urban Renewal Authority, a public body corporate (the "Seller"), and The City of Oklahoma City, a municipal corporation, ("City").

WITNESSETH:

1. *Agreement to Sell and Purchase.* Subject to the terms and conditions of this Agreement, City hereby agrees to purchase from Seller, and Seller hereby agrees to sell to City the following described real property located in Oklahoma County, Oklahoma to-wit:

(See Exhibit A Attached)

which real property includes without limitation: (a) the surface of the real estate (the "Land") together with all of Seller's right, title, interest and estate in and to oil, gas and other minerals in and under the Land not previously reserved or conveyed of record; and (b) all of the buildings, structures and improvements in, upon and under the Land, buildings associated therewith, including any and all permanently attached fixtures and equipment therein and thereon not removed by seller on or before the Closing Date (the "Improvements"); and (c) all of the appurtenances belonging to the Land and all of Seller's right, title and interest in and to all streets, alleys and other public or private ways adjacent thereto, before or after vacation thereof (collectively, the "Property").

2. *Purchase Price.* The purchase price (the "Purchase Price") which the City shall pay to Seller for the Property shall be Four Hundred Fifty-Three Thousand Eight Hundred Forty-Eight Dollars and Seventy cents (\$453,848.70) less appropriations, apportionments and adjustments as provided here, to be paid by certified check at closing.

3. *Time and Place of Closing.* Closing shall occur at a location, date, and time mutually agreeable to Seller and the City, (the "Closing Date").

4. *Apportionments and Adjustments.* The following items are to be apportioned to and adjusted between Seller and City as of the close of business on the Closing Date and are to be assumed and paid thereafter by City:

(a) all utilities, if any;

(b) all real estate taxes, general or special, and all other public or governmental charges or assessments against the Property, which are or may be payable on an annual basis (including charges, assessments, liens or encumbrances for sewer, water, drainage or other public improvements completed or commenced on or prior to the date hereof or subsequent thereto), whether assessments have been levied or not as of the Closing Date.

5. *Pre-Closing Requirements.* Within thirty (30) days from the date of this Agreement or such later time as may be provided for with respect to specific matters, City, at the City's sole cost and expense may obtain each of the following items:

5.1. *Title Insurance Commitment.* City may obtain a commitment for an ALTA 1996 owner's policy of title insurance (the "Commitment") issued by the Title Company in the amount of the Purchase Price, showing marketable record title to the Property, in the Seller according to the Title Standards adopted by the Oklahoma Bar Association, subject to recorded plat restrictions, recorded utility easements and zoning ordinances, including any of the oil, gas and other minerals not previously reserved or conveyed of record, and subject to such other exceptions or encumbrances of record which may be approved in writing by the City (the "Permitted Title Exceptions"). Copies of all instruments constituting an exception in the Commitment shall accompany the Commitment. City shall have thirty (30) working days after receipt of the Commitment within which to submit in writing any objections to the title to Seller.

The owner's policy, when issued, shall insure over encroachments, overlaps, boundary line disputes and any other matters which would be disclosed by an accurate survey and inspection, and shall delete all exceptions relating to survey matters and to mechanic's and materialmen's liens.

5.2. *Survey.* City may obtain an "as built" survey, prepared in accordance with ALTA/ACSM Minimum Standard Detail Requirements covering the Land, showing all Improvements, fences, easements, rights-of-way, building lines, roads and/or alleys and showing no encroachments upon the Land and no encroachments by any of the Improvements onto the adjacent property or onto recorded rights-of-way or easements. The survey shall be prepared by a registered land surveyor and shall contain a certification in favor of City and the Title Company that the survey is correct and accurate, the form and content of which certification shall in any event be approved by the Title Company for purposes of deleting the standard survey exceptions from the owner's policy of title insurance.

5.3. *UCC Search.* City may obtain a Uniform Commercial Code search which reflects that all personal property deemed fixtures hereunder is free from any security interest.

5.4. *City's Objections; Seller's Option to Cure.* Upon City's receipt and review of the items enumerated in this Section 6, above, in addition to any objections to the condition of the Property, as provided in Sections 9, 10 and 11 of this Agreement, City shall be entitled to deliver specific written objections to Seller as to any of such items (the "Objections"). Any Objections of City not described in a written notice delivered to Seller within thirty (30) days of City's receipt thereof shall be deemed waived by City. Upon the Seller's receipt of such Objections, the Seller shall be entitled to deliver written notice to City to the effect that within thirty (30) days thereof, the Seller will, at the Seller's sole costs and expense, satisfy one or more of City's Objections or that the Seller is either unable or refuses to satisfy either one or all of the Objections, in which event City shall be entitled to either (i) terminate this Agreement, or (ii) waive any such Objection in writing and proceed to closing.

6. *Events Occurring at Closing.*

6.1. *Seller's Performance.* The Seller shall deliver to City:

(a) A good and sufficient warranty deed accompanied by necessary documentary stamps paid by City, fully and duly executed and acknowledged, conveying fee simple title in and to the Property to City including any of the oil, gas and other minerals not previously reserved or conveyed of record, and subject only to the permitted title exceptions.

(b) A "bills paid affidavit" executed by the Seller and verifying that there are no unpaid bills for labor performed, material supplied or services provided for or to the Property prior to the closing.

(c) All documents, fully executed, required to meet and/or cure all requirements and defects of title, if any.

6.2. *City's Performance.* City shall deliver to the Seller the Purchase Price (less pro-rations, credits or other adjustments) by certified check.

7. *Closing Costs.* The City shall pay all costs and expenses associated and in connection with Closing. The parties agree Closing Costs do not include legal expenses.

All other expenses incurred by the Seller or City with respect to the consummation of the transaction contemplated by this Agreement, including but not limited to attorneys' fees of City and the Seller, are to be borne and paid exclusively by the party incurring same, without reimbursement except to the extent otherwise specifically provided in this Agreement.

8. *Possession and Condition of the Property.* Possession of the Property shall be given to City at closing. At closing, condition of the Property shall be in a reasonable condition, free and clear of trash and debris.

9. *Access Pending Closing.* After execution of this Agreement, City and City's consultants, agents, architects and contractors shall have the right to enter the Property, at their own risk and at reasonable times, for the purpose of examination and study. Entries shall be made at such times and in such a manner as to not interfere with the Seller. City shall give the Seller at least twenty-four (24) hours advance notice of any such entry. Upon request, the Seller shall deliver to City, without charge, copies of all drawings, specifications, utility plans, engineering data, environmental reports and/or audits, and all other plans, reports or information, with respect to the Property that are in the possession of the Seller.

10. *Representations and Warranties.* The Parties hereby represent and warrant as follows:

10.1 *Mechanics Liens.* No work has been performed or is in progress at, and no materials have been furnished to, the Properties, which though not presently the subject of a lien might give rise to mechanics', materialmen's or other liens against the City's interest in the Properties or any improvements later erected on the Properties.

10.2 *Compliance with Laws.* Neither the entering into of this Agreement nor the consummation of the transaction contemplated hereby shall constitute or result in a violation or breach by the either party of any judgment, order, writ, injunction or decree issued against or imposed upon it, or shall result in a violation of any applicable law, order, rule or regulation of any governmental authority.

10.3 *Hazardous Substances.* Prior to closing, the Authority may, at its expense, complete a general Phase I Environmental Assessment or Audit and such other environmental audits, assessments, reports, studies and tests for any specific materials the Authority desires. If the result of any Phase I Environmental Assessment or Audit or any other test or reports for Hazardous Substances or asbestos or asbestos containing materials are unacceptable to Authority, the Authority may, (a) terminate this Agreement by furnishing written notice of termination to the City and/or (b) waive the defects and proceed to closing.

With respect to the terms "Hazardous Substances" and "Environmental Laws," they shall have the following meaning and definitions:

(i) *Environmental Laws:* means the Comprehensive Environmental Response, Compensation and Liability Act, as amended, 42 U.S.C. 9601, *et seq.* in the Superfund Amendments and Reauthorization Act, 42 U.S.C. 9601, *et seq.* and in the Resource Conservation and Recovery Act, 42 U.S.C. 6901, *et seq.* and in the Clean Air Act, 42 U.S.C. 7401, *et seq.*, as any of the preceding may be amended from time to time, and any other substances considered hazardous, toxic or otherwise harmful pursuant to any other applicable laws or regulations relating to pollution or protection of human health or the environment.

(ii) *Hazardous Substances:* means substances defined as a "hazardous substance" or "toxic substance" in the Environmental Laws in effect on the date any representation or warranty is made pursuant to this Agreement.

11. *Notices.* Any notices required or permitted to be given by either party to the other shall have been deemed to have been served when hand delivered or, if the United States Mail is used, on the three (3) business day after the notice is deposited in the United States Mail, postage prepaid, registered or certified mail, and addressed to the parties as follows:

To Authority
Oklahoma City Urban Renewal Authority
Catherine O'Connor
105 N. Hudson Ave. #101

Oklahoma City, OK 73102

To City:
The City of Oklahoma City
David E. Todd, P.E.
MAPS Project Manager
420 West Main, Suite 400
Oklahoma City, OK 73102

With copy to: Frances Kersey, City Clerk
200 North Walker, 2nd Floor
Oklahoma City, OK 73102

Either party, by written notice to the other, may change its address to which notices are to be sent.

12. *Default and Penalties.*

(a) *Defaults.* A Party shall be deemed to be in default hereunder in the event that the party fails to comply with or observe any covenant, agreement, or obligation provided herein to be performed within the time limits and in the manner required herein.

(b) *Remedies.* In the event a party shall be deemed to be in default by virtue of the occurrence of any one or more of the events specified herein, the other party may, at its option terminate this Agreement by written notice delivered to the defaulting party on or before Closing Date, and on such termination, the parties shall have no further obligations under this Agreement.

13. *Miscellaneous Provisions.*

13.1. *Gender.* As used herein the singular shall include the plural, the plural the singular, and the use of any gender shall be applicable to all genders.

13.2. *Binding Effect.* This Agreement shall be binding upon the parties hereto and on their respective successors or assigns.

13.3. *Entire Agreement.* This Agreement contains the final and entire agreement between the parties and they shall not be bound by any terms, conditions, statements or representations, oral or written, not herein contained. Any subsequent amendment to this Agreement shall be valid only if executed in writing by both parties to this Agreement or their successors or assigns.

13.4. *Governing Law.* This Agreement shall be construed, interpreted and enforced according to the laws of the State of Oklahoma without regard to principles of conflict of laws. Jurisdiction and venue for any action pertaining to this Agreement shall be the Oklahoma County District Court.

13.5. *Time.* Time shall be of the essence for this Agreement.

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement and affixed their seals as of the date and year first above written.

[SIGNATURE PAGE FOLLOWS]

APPROVED by the Council and signed by the Mayor of The City of Oklahoma City, Oklahoma, this ____ day of _____, 2017.

ATTEST

CITY CLERK

MAYOR

REVIEWED for form and legality.

ASSISTANT MUNICIPAL COUNSELOR

APPROVED by the Oklahoma City Urban Renewal Authority this ____ day of _____, 2017.

EXECUTIVE DIRECTOR

EXHIBIT A

LEGAL DESCRIPTION TRACT 10

All of Lots Twenty-three (23) and Twenty-four (24), and a part of Lots Twenty-five (25) and Twenty-six (26), Block Twenty-one (21), South Oklahoma Addition to the City of Oklahoma City, Oklahoma County, Oklahoma, according to plat thereof recorded in Book 1 of Plats, Page 16, and being more particularly described as follows:

COMMENCING at the southwest corner of Block Twenty-one (21), of said South Oklahoma Addition;

THENCE North $89^{\circ}42'28''$ East, along the south line of said Block Twenty-one (21), a distance of 150.00 feet to the POINT OF BEGINNING;

THENCE North $00^{\circ}20'33''$ West a distance of 141.14 feet to the south right-of-way line of the east/west alley in said Block Twenty-one (21);

THENCE North $89^{\circ}40'46''$ East, along said south right-of-way line, a distance of 59.68 feet;

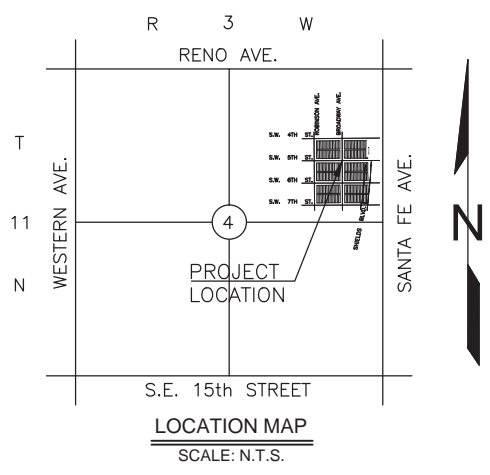
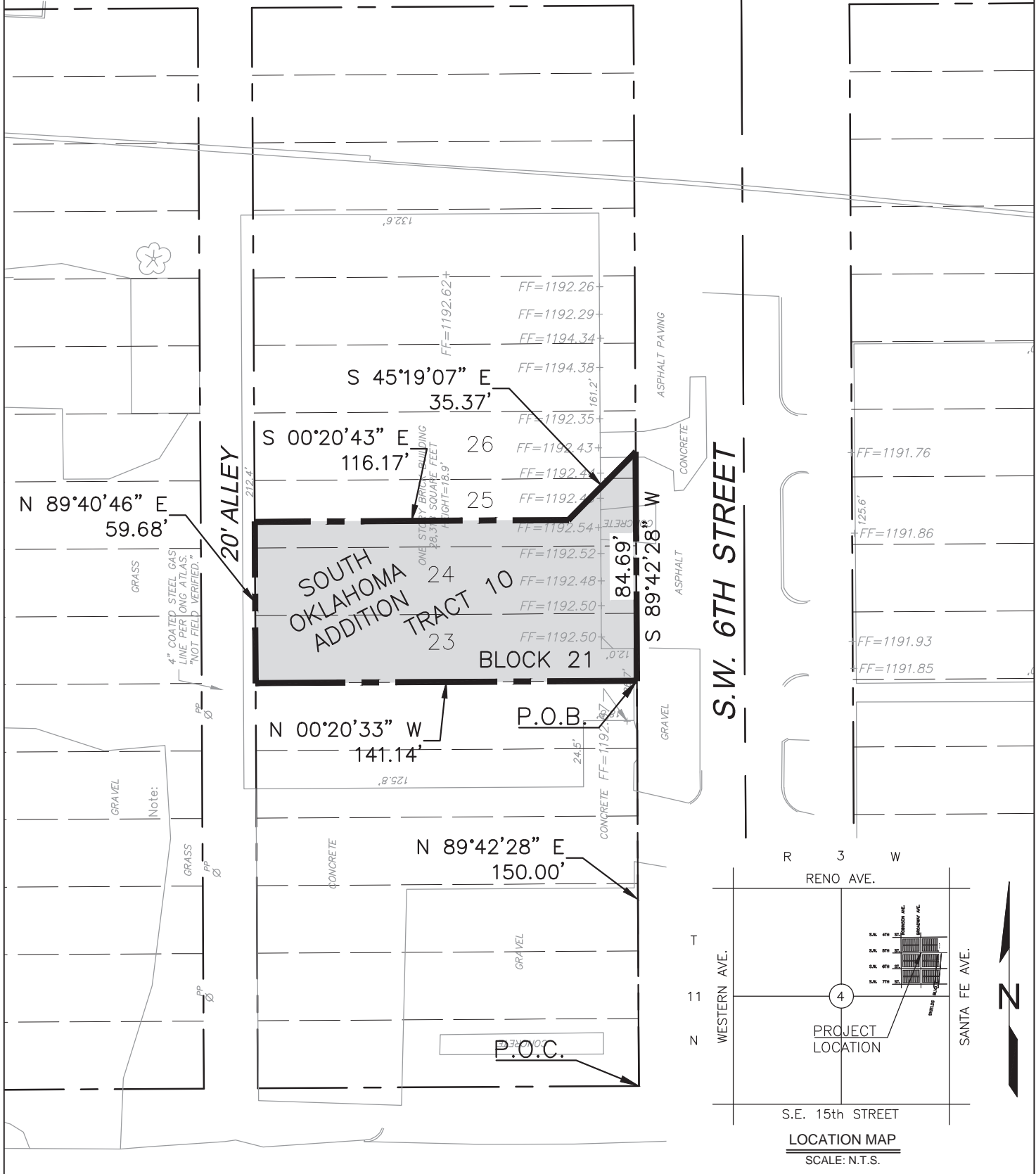
THENCE South $00^{\circ}20'43''$ East a distance of 116.17 feet;

THENCE South $45^{\circ}19'07''$ East a distance of 35.37 feet to the south line of said Block Twenty-one (21);

THENCE South $89^{\circ}42'28''$ West, along the south line of said Block Twenty-one (21), a distance of 84.69 feet to the POINT OF BEGINNING.

Said tract of land contains 8,737 square feet or 0.2006 acres more or less.

SHIELDS BOULEVARD



SCALE:
1"=50'

SHEET
TRACT 10

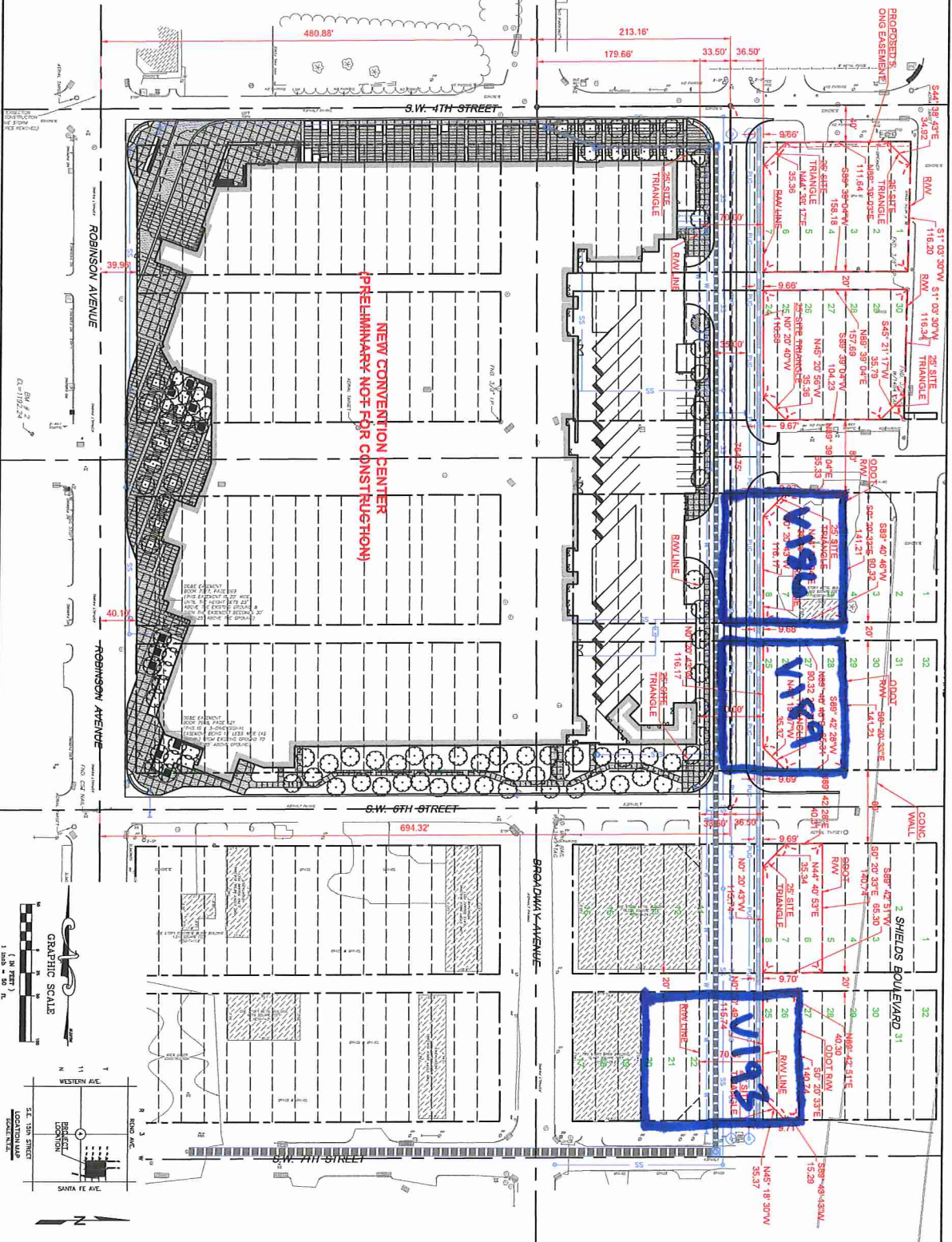
OKLAHOMA CITY CONVENTION CENTER OKLAHOMA CITY, OKLAHOMA TRACT 10

PROJ. 113834
DATE: 10-18-16
DRAWN BY: BAW
DESIGNED BY: GWN
CHECKED BY: GWN

OKLAHOMA CITY
100 N.E. 24th Street
Oklahoma City, Oklahoma 73104
T: 405.840.2004
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www.orb.com

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F: 405.418.2289
info@orb.com

CERTIFICATE OF AUTHORIZATION NO. 3349 EXPIRES JUNE 30, 2017



SCALE: 1" = 30'
 HOR: 1" = 30'
 VERT: 1" = 30'
 SHEET: EXT 1

OKLAHOMA CITY CONVENTION CENTER
 PRELIMINARY NOT FOR CONSTRUCTION
 OKLAHOMA CITY, OKLAHOMA
 PROPERTY EXHIBIT

PROJ. 113034
 DATE: 9-28-16
 DRAWN BY: BAW
 DESIGNED BY: GMM
 CHECKED BY: GMM

NO.	DATE	DESCRIPTION	REVISIONS	BY

OKLAHOMA CITY
 ENGINEERING SURVEYING PLANNING
 1100 N. WESTERN AVENUE, SUITE 1000
 OKLAHOMA CITY, OKLAHOMA 73102
 TEL: 405.241.1100
 FAX: 405.241.1101
 WWW.SRB-OK.COM

OKLAHOMA CITY

URBAN
RENEWAL
AUTHORITY

To: Board of Commissioners of the Oklahoma City Urban Renewal Authority
From: Catherine O'Connor, Executive Director
Date: April 19, 2017
Ref: Resolution Conditionally Designating a Redeveloper for Lots Eight (8), Nine (9), Ten (10), and Eleven (11) in Wallace Subdivision of Lots 16 Ross Heights Addition, Located Generally on the Southeast Corner of the Intersection of Northeast 23rd Street and North Kelham Avenue, John F. Kennedy Urban Renewal Plan

Background: In January 2017, OCURA issued a public invitation for request for proposals for property located at the southeast corner of NE 23rd St. and N. Kelham Ave. One redevelopment proposal was received from the redevelopment group Pivot Project Development, LLC. The development proposal shows adding a 4,000 s.f commercial building with surface parking behind the building. The proposal was reviewed for appropriateness and completion and was deemed acceptable.

Purpose of Agenda Item: This resolution designates Pivot Project Development, LLC as conditional redeveloper for this redevelopment site and authorizes the Executive Director to continue to negotiate terms for a redevelopment agreement.

Staff Recommendation: Approval of Resolution

Attachments: Site location map & Pivot Project Development, LLC Proposal

RESOLUTION NO. _____

RESOLUTION CONDITIONALLY DESIGNATING A REDEVELOPER FOR LOTS EIGHT (8), NINE (9), TEN (10), AND ELEVEN (11) IN WALLACE SUBDIVISION OF LOT 16 ROSS HEIGHTS ADDITION, LOCATED GENERALLY ON THE SOUTHEAST CORNER OF THE INTERSECTION OF NORTHEAST 23RD STREET AND NORTH KELHAM AVENUE, JOHN F. KENNEDY URBAN RENEWAL PLAN

WHEREAS, the Oklahoma City Urban Renewal Authority (“Authority”) has previously publicly invited proposals for redevelopment of Lots Eight (8), Nine (9), Ten (10), and Eleven (11) in Wallace Subdivision of Lot 16 Ross Heights Addition, located generally on the southeast corner of Northeast 23rd Street and North Kelham Avenue; and

WHEREAS, Pivot Project Development LLC submitted a response to the public invitation; and

WHEREAS, the Board of Commissioners of the Authority has reviewed Pivot Project Development LLC’s redevelopment proposal submitted in response to the public invitation; and

WHEREAS, in accordance with the public invitation process, the Board of Commissioners finds that the proposal submitted by Pivot Project Development LLC is responsive to the criteria established in the public invitation and is an acceptable initial proposal, and the Board of Commissioners hereby deems it appropriate to conditionally designate Pivot Project Development LLC as redeveloper of the property described above, with the final legal description of the area subject to the determination and approval of the Authority; and

WHEREAS, the Board of Commissioners deems it appropriate and desirable to authorize and direct the Executive Director and Legal Counsel to conduct negotiations with the conditionally designated redeveloper for a period of ninety (90) days to attempt to reach an agreement as to development plans, financing arrangements, price contingencies, and other terms and conditions satisfactory to the Authority and present a draft contract for sale of land and redevelopment to the Board of Commissioners for review and consideration.

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of the Oklahoma City Urban Renewal Authority as follows:

1. The redevelopment proposal submitted by Pivot Project Development LLC is hereby deemed to be an acceptable initial proposal, and Pivot Project Development LLC is hereby conditionally designated as the redeveloper for the proposed redevelopment site.
2. The Executive Director and Legal Counsel of the Authority are authorized and directed to negotiate with Pivot Project Development LLC for a period of ninety (90) days to attempt to reach an agreement as to development plans, financing arrangements, price contingencies, and other terms and conditions satisfactory to the Authority and present a

draft contract for sale of land and redevelopment to the Board of Commissioners for review and consideration.

I, _____, Secretary of the Board of Commissioners of the Oklahoma City Urban Renewal Authority, certify that the foregoing Resolution No. _____ was duly adopted at a **regular** meeting of the Board of Commissioners of the Oklahoma City Urban Renewal Authority, held at the Arts District Garage Conference Room, 431 West Main Street, Suite B, Oklahoma City, Oklahoma 73102, on the **19th day of April, 2017**; that said meeting was held in accordance with the By-Laws of the Authority and the Oklahoma Open Meetings Act; that any notice required to be given of such meeting was properly given; that a quorum was present at all times during said meeting; and that the Resolution was duly adopted by a majority of the Commissioners present.

SECRETARY

(SEAL)

Redevelopment of
the Southeast Corner of Kelham
Avenue and Northeast 23rd Street
Response to Request for Proposal - March 27, 2017

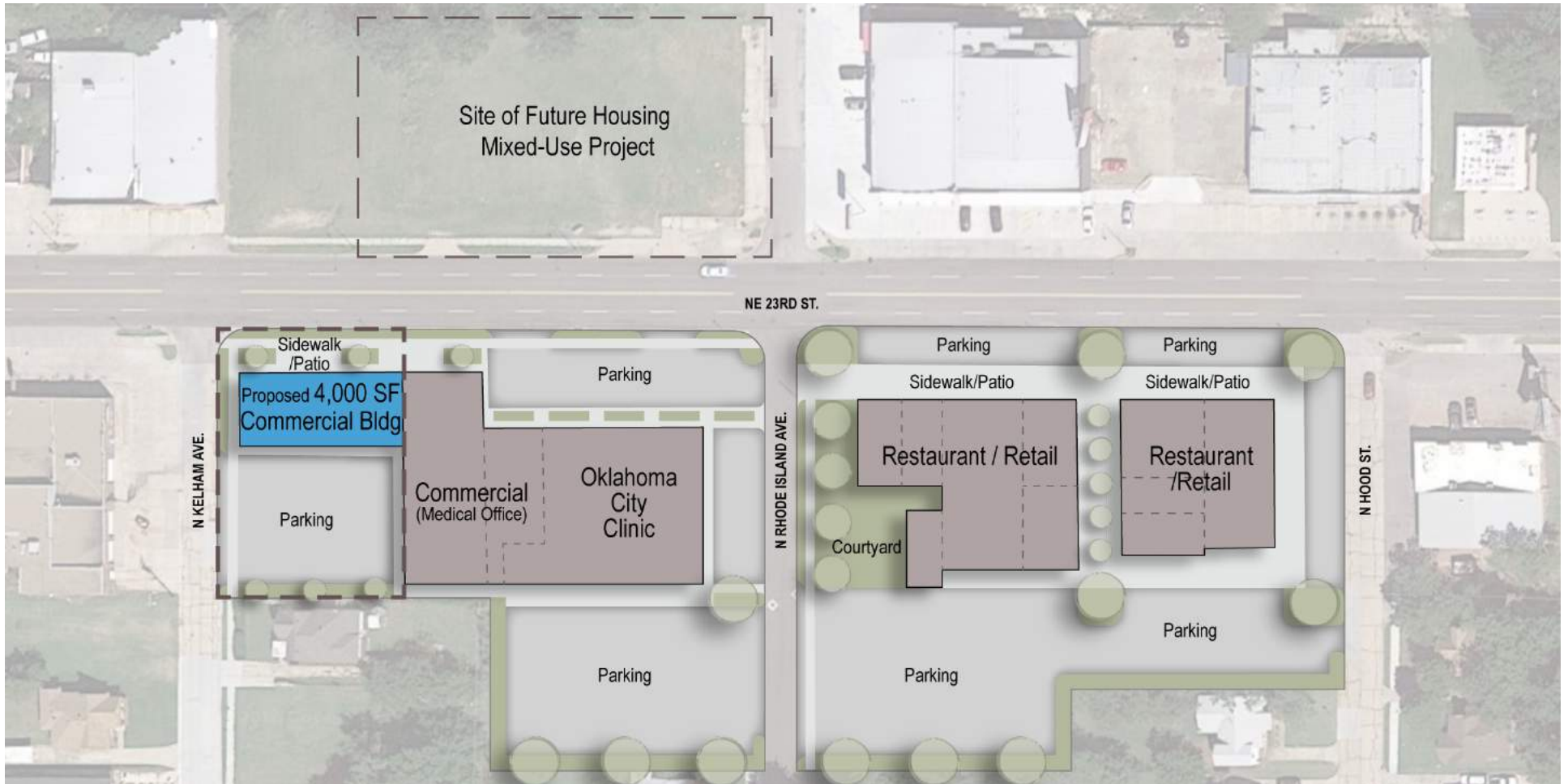


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Conceptual Master Plan

The ultimate goal of the project is to continue the momentum of the adjacent parcels of land which we are currently developing. Traditionally, the Northeast 23rd Main Street Corridor was a center of activity lined with commercial businesses. Our proposal is to add a 4,000 sq.ft. commercial building that relates to the historic architecture which we are bringing back to life directly to the east. The below site plan shows the OCURA property as well as the adjacent property we currently own and are in the process of redeveloping.



Conceptual Master Plan

The architectural design, landscaping, and materials used will be influenced by the adjacent projects which we are currently working on. Storefront glass will be an important material and feature as it allows us to activate the street. Other potential materials may include masonry, stucco, eifs, concrete siding, or architectural metal. Materials will be used in a way that pay homage to the surrounding architecture which is a mid-century retail vernacular. Below are renderings and descriptions of the adjacent projects.



1708 NE 23rd Street - Oklahoma City Clinic

This project consists of a single, brick building that housed a vehicle repair shop. The brick will be repaired and repainted and the cast stone parapet cap will be painted an accent color. Any existing punched openings, such as windows and large overhead doors, will be replaced with new storefront. Several previous punched openings were filled in with masonry over the years and we will be reopening them with new storefront. A new, architectural metal canopy will be installed along the north facade which fronts 23rd Street and it will wrap around to the east facade which faces Rhode Island Avenue. New trees will be planted along 23rd Street and planters will be located adjacent to the building with native plant material. Core and shell work for the entire building and the tenant buildout for Oklahoma City Clinic are to be complete at the end of 2017.

Conceptual Master Plan



1726-1742 NE 23rd Street - Multiple Restaurant and Retail Tenants

This project consists of a series of brick and masonry retail shops, some of which have been painted over the years and others which have not been painted and instead boast their original cladding. Any masonry that was painted will be repaired and repainted and any original, untouched masonry will be repaired and tuck pointed as necessary. A central, narrow building will be demolished to provide an internal covered courtyard. This courtyard will allow natural light to the adjacent 90'-100' deep retail bays making them more attractive to potential tenants. New storefront will be replaced throughout and the central courtyard will be covered with an architectural metal canopy. New trees will line the property and native plant species will be used in the proposed planter beds. Core and shell work for the entire project and the tenant buildout for several tenants are slated to be complete during the second quarter of 2018.

Market Feasibility of Conceptual Master Plan

Due to the adjacent redevelopment of 40,000 square feet of commercial real estate, Pivot Project hopes to leverage the catalytic development to the east and increase rental rates beyond what would normally be expected for a like-kind development in the surrounding area. We feel as though this adjacency will overcome the slow development that the east side of Oklahoma City has seen over the last 30 years. The area provides very little comparable data. A limited amount of which we have gathered is listed below.

Surrounding Rent Rates		
1708-1742 NE 23rd Street	\$16.50 - \$18.00 per square foot	Triple Net Lease with high TI allowance
1148 NE 36th Street	\$8.00 - \$13.00 per square foot	Triple Net Lease
1900 NE 36th Street	\$12.96 per square foot	Full Service Lease

Surrounding Available for Sale				
1900 NE 36th Street	24,140 SF Masonry Building	7.17 Acres	\$62.14 per square foot	\$1,500,000
1300 NE 30th Street	vacant land	22.46 Acres	\$17,807.21 per acre	\$399,950
3444 N Kelley	vacant land	1.48 Acres	\$216,216.21 per acre	\$320,000

Recently Sold				
1708-1716 & 1721 NE 23rd Street	18,313 SF Masonry Building	1.57 Acres	\$30.03 per square foot	\$550,000
1726-1742 NE 23rd Street	21,900 SF Multiple Masonry Bduilings	1.48 Acres	\$19.18 per square foot	\$420,000

There is a very wide range in asking prices and sales prices for property in the immediate market area. Many of the properties currently for sale have been listed for greater than six months, and in some cases over a year, indicating a very soft market.

Qualifications of Development Team

With each unique project that we undertake, it all starts with a focus on the community, and our approach to NE 23rd and Kelham is no different. This project aims to impact the community in a positive way, invite patrons to visit from all over Oklahoma City, and be a catalyst for future surrounding developments. We bring with us the same consultants we use on our other projects located within the Downtown Core.

Our Team

Pivot Project

Jonathan Dodson
Ben Sellers
David Wanzer

Gardner Architects

Jeremy Gardner

Lingo Construction Services

Stan Lingo

Our Mission:

Cultivating Community
Through Thoughtful
Development.

Qualifications of Development Team

Pivot Project - Developer

Pivot Project is an Oklahoma City based real estate development company formed in 2015 by Jonathan Dodson, Ben Sellers, and David Wanzer. It's focus has been on urban infill development, both new construction and adaptive re-use, with an emphasis on improving the quality of surrounding neighborhoods. A list of all projects both completed and in progress include:

1732 NW 16th Street (Complete)

Adaptive Re-Use of a 4,500 square foot commercial building in the heart of the Plaza District.

Main Street Arcade (Complete)

Adaptive Re-Use of a 40,005 square foot historic commercial building on Main Street just west of Oklahoma City's Downtown Core. The project utilized historic tax credits and tax increment financing.

The Town House (In-Progress)

Adaptive Re-Use of a historic residential building that will house 18 for-lease units just south of Saint Anthony's and west of Downtown Oklahoma City. The project utilized historic tax credits, tax increment financing and the federal Murrah Loan Program.

916 NW 6th Street (Complete)

Adaptive Re-Use of a 14,231 square foot building that formerly housed an auto service center. The project is located along Classen Boulevard in Midtown.

Tower Theatre (Complete)

Adaptive Re-Use of a 25,400 square foot mixed-use, commercial building on Northwest 23rd Street in the heart of Uptown. This complex project includes a historic movie theater, retail, and second-floor office space. The project worked with the city to provide an inter-block cross walk in order to provide a more pedestrian friendly environment along this stretch of the Northwest 23rd Street Corridor. The project utilized historic tax credits.

Qualifications of Development Team

1205 SW 2nd Street (Complete)

Adaptive Re-Use of a 6,000 square foot commercial building in the heart of the Farmer's Market District.

Classen16 (In-Progress)

A new construction, mixed-used building located along Classen Boulevard at the gateway to the Plaza District. The project will include 48 for-lease, residential units and approximately 4,000 square foot commercial/retail space.

Blackwelder Apartments (In-Progress)

Adaptive Re-Use of two, mid-century apartment buildings located on Blackwelder just north of the Plaza District. The project includes 24 for-lease residential units.

Sunshine Cleaners (Complete)

Adaptive Re-Use of a 16,990 square foot 1920s, commercial building along Classen Boulevard just west of Downtown Oklahoma City. The project utilized historic tax credits and tax increment financing.

1200-1214 N Hudson (In-Progress)

Adaptive Re-Use of three separate buildings located in the heart of Midtown. An office building which consists of a two-story, 7,650 square foot rehab with a roughly 5,400 square foot addition. The historic movie theater is a rehab of approximately 12,000 square feet. And the brewery consists of a rehab of a 918 square foot building into a tap room with an approximate 4,000 square foot addition for the production facility. Historic tax credits will be utilized for this project.

1708-1742 NE 23rd Street (In-Progress)

Adaptive Re-Use of a series of buildings and future new construction along the Northeast 23rd Main Street Corridor. For project specifics, please see the Conceptual Master Plan section.

Qualifications of Development Team



Jonathan Dodson

Jonathan Dodson is a former banker turned Oklahoma City developer with a focus toward urban infill development and adaptive re-use.

Dodson moved to Oklahoma City upon graduating from Oklahoma State University and was one of the initial members of the Urban Land Institute of Oklahoma in 2007. His interest in urban neighborhoods and re-development helped Dodson create a commercial loan portfolio with complex financial stacks including government incentives, mezzanine financing, equity investment and institutional debt.

In 2015, Dodson co-founded Pivot Project Development with Ben Sellers and David Wanzer. Pivot Project is a real estate development company focused on infill projects within the urban core of Oklahoma City. Pivot Project's portfolio consists of a unique mix of retail, office, and multifamily assets within OKC's fastest growing neighborhoods and districts.

Dodson also started Cenam Holdings, debt placement and equity-raising firm focused on providing value for local developers and entrepreneurs in Oklahoma City. When he is not developing, Dodson is usually with his wife and four kids riding bikes through the neighborhood.

TITLE

Managing Partner

EDUCATION

Oklahoma State University, 2003

COMMUNITY WORK

Urban Land Institute Member

Member of The City of Oklahoma City

Bricktown Urban Design Review Committee

Qualifications of Development Team



Ben Sellers

TITLE
Managing Partner

EDUCATION
Master of Land Economics & Real Estate
Texas A&M University, 2002
Bachelor of Business Administration
University of Central Oklahoma, 2000

COMMUNITY WORK
Urban Land Institute Member
Member of The City of Oklahoma City
Urban Design Review Committee

Ben is an Oklahoma City-based developer dedicated to infill development in the city's urban core. He is a former commercial real estate appraiser that specialized in multifamily housing. His experience in the valuation of income properties has served a critical role on the Pivot Project team.

Ben was an early developer in Oklahoma City's historic Uptown District, completing one of the district's first speculative retail/office projects in several decades. He believes real estate should not only provide a financial return, but also provide a return to the community. Each of his projects emphasize smart planning and thoughtful design.

In 2015, Sellers co-founded Pivot Project Development with Jonathan Dodson and David Wanzer. Pivot Project is a real estate development company focused on infill projects within the urban core of Oklahoma City. Pivot Project's portfolio consists of a unique mix of retail, office, and multifamily assets within OKC's fastest growing neighborhoods and districts.

Ben earned a Bachelor of Business Administration from the University of Central Oklahoma with a degree in Finance, and a Master of Land Economics & Real Estate from Texas A&M University.

Ben is on the Board of Directors for Uptown 23rd District. He is an active member in the Urban Land Institute's Oklahoma District Council, and is a member of the Oklahoma City Urban Design Commission.

Ben and his wife Ashley live in Mesta Park with their two children.

Qualifications of Development Team



David Wanzer

TITLE
Managing Partner

EDUCATION
Master of Architecture
University of Oklahoma, 2004
Bachelor of Science, Environmental Design
University of Oklahoma, 2002
Bachelor of Science in Business
Oklahoma State University, 1992

COMMUNITY WORK
Board of Trustees for Frank Lloyd Wright's
Price Tower in Bartlesville, OK
Board of Directors for Historic Film Row
Board of Directors for Downtown OKC, Inc.
Business Improvement District
Urban Land Institute Member
Member of The City of Oklahoma City
Board of Adjustment, 2008-2011

David Wanzer is an Oklahoma City-based developer and designer with a passion for modern architecture, adaptive re-use and community building.

He was born in Oklahoma City's Midtown district, at St. Anthony Hospital, and raised in Guthrie, Oklahoma where he watched the historic Victorian downtown come back to life as building after building was renovated during the 1980's.

Community building is at the heart of Wanzer's work. His research into a long forgotten stretch of Sheridan Avenue in downtown Oklahoma City uncovered the rich history of a district that was once a central hub for Hollywood movie distribution in the U.S. This research, along with Wanzer's design firm, helped developer friend Chip Fudge spearhead the revitalization of the city's now thriving Film Row District, home to a growing list of businesses and organizations including: deadCENTER Film Festival, KOSU Radio, The Paramount OKC, IAO Art Gallery, Joey's Pizzeria and The Hub OKC.

He and his wife, Dara, reside in Oklahoma City, living in one of his modern developments with their cat, Poquits.

Financial Ability to Execute Conceptual Master Plan

NE 23rd/ OCURA LAND
Oklahoma City, Oklahoma
SCENARIO #: 1 - BASE CASE

COMMERCIAL TENANT ASSUMPTIONS

	Tenant	sf	Proforma		Vacancy Factor		Initial Leasing Costs				
			Base Rent psf	Annual	Initial	Stabilized	Broker %	Lease Term	TA/TI psf	TA/TI \$	Leasing Comm
1	Commercial/Retail	4,000	\$ 16.50	\$ 66,000	5.0%	5.0%	6.0%	5.0	\$ 15.00	\$ 60,000	\$ 19,800
2	Totals	4,000		\$ 66,000						\$ 60,000	\$ 19,800

ACQUISITION & DEVELOPMENT COSTS

	Item	Unit of Measure	Unit Cost	Total Cost	PSF Cost
Acquisition					
1	Purchase Price	N/A	N/A	\$ 5,000	\$ 1.25
2	Closing Fees	N/A	N/A	\$ 1,500	\$ 0.38
3	Due Diligence (Appraisal, Phase 1, Survey, ETC)	N/A	N/A	\$ 5,000	\$ 1.25
4	Brokers Commission	% of purchase price	0.0%	\$ -	\$ -
5	Total Acquisition Costs			\$ 11,500	\$ 2.88
Hard Costs (Construction)					
6	Commercial Space construction	\$/sf	\$ 130.00	\$ 520,000	\$ 130.00
7	Contingency	% of Hard Costs	5.0%	\$ 26,000	\$ 6.50
8	Total Hard Costs			\$ 546,000	\$ 136.50
Soft Costs (Construction)					
9	Tenant Allowance	from Rent Schedule	N/A	\$ 60,000	\$ 15.00
10	Architectural/MEP Fees	% of Shell Cost (SC only)	4.0%	\$ 23,840	\$ 5.96
11	Engineering & Consultant Fees	N/A	N/A	\$ 10,000	\$ 2.50
12	Development Fees/Bonds	N/A	N/A	\$ 5,000	\$ 1.25
13	Initial Leasing Commissions	from Rent Schedule	N/A	\$ 19,800	\$ 4.95
14	Insurance Prior to Lease Up	N/A	N/A	\$ 15,000	\$ 3.75
15	Property Taxes Prior to Lease Up	N/A	N/A	\$ 2,500	\$ 0.63
16	Contingency	% of Soft Costs	5.0%	\$ 6,807	\$ 1.70
17	Total Soft Costs		5	\$ 142,947	\$ 35.74
Site Costs (Hard/Soft)					
18	Site Costs	N/A	N/A	\$ 50,000	\$ 12.50
19	Contingency	% of Site Costs	5.0%	\$ 2,500	\$ 0.63
20	Total Site Costs			\$ 52,500	\$ 13.13
Financing Costs					
21	Interest on Construction Loan	from Financing Schedule	N/A	\$ 14,053	\$ 3.51
22	Points (construction loan)	from Financing Schedule	N/A	\$ -	\$ -
23	Contingency	% of Financing Costs	5.0%	\$ 703	\$ 0.18
24	Total Financing Costs			\$ 14,756	\$ 3.69
25	Development Fee	% of Development Costs	5.0%	\$ 37,397	\$ 9.35
	Development Fee	% Acquisition Costs	0.0%	\$ -	\$ -
26	**Total Acquisition & Development Costs**			\$ 805,100	\$ 201.28
27	TIF			\$ 80,510	
28	Other Tax Credits or loans			\$ -	
29	Net Subsidy			\$ 80,510	

Financial Ability to Execute Conceptual Master Plan

FINANCING ASSUMPTIONS

Construction Loan		
Rate		4.50%
Points (%)		0.00%
Term (mo)		12
Equity (%)		22.4%
Loan Amount	\$	624,590
Points (\$)	\$	-
Total Interest	\$	14,053
Permanent Loan		
Rate		5.00%
Points (%)		0.00%
Term (yr)		25
Equity (%)		22.4%
Monthly Payment	\$	3,651
Points (\$)	\$	-

Amortization Schedule of Permanent Loan

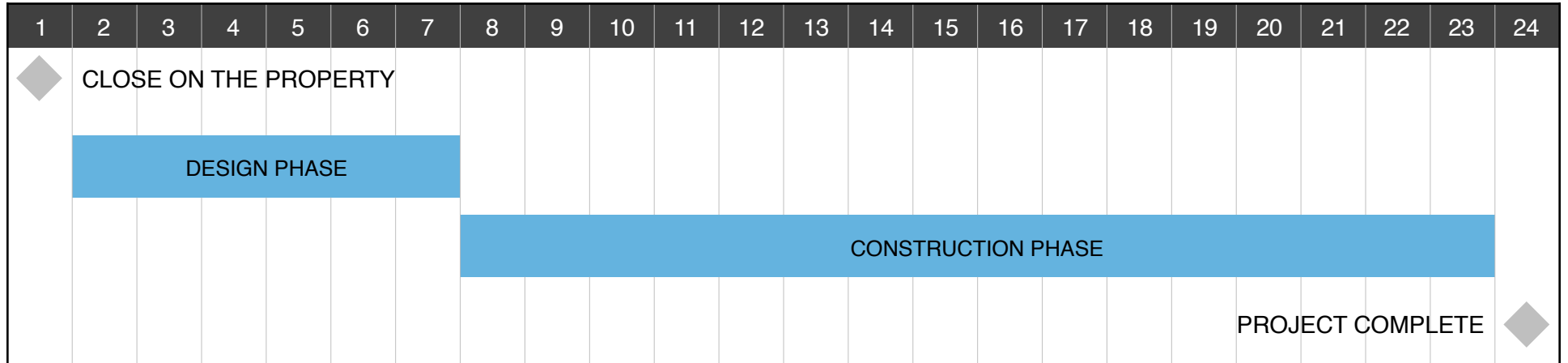
Acquisition Costs	\$	11,500
Development Costs	\$	793,600
Total Project Costs	\$	805,100
Less: Equity from Investors	\$	(100,000)
Less: Tax Credit Equity	\$	(80,510)
Loan Amount	\$	624,590

Financial Ability to Execute Conceptual Master Plan

CASH FLOW ANALYSIS		Year	Construction	Year	Year	Year	Year	Year
		0	Period 12mos.	1	2	3	4	5
Transaction Costs								
1	Acquisition Costs	\$ (11,500)						
2	Hard/Soft Costs	\$ (793,600)						
3	Sales Price in Yr 5							\$ 719,281.32
4	Less: Transaction costs in Yr 5							\$ (32,368)
5	Historic Tax Credits	\$ 80,510						
6	Total Transaction Costs	\$ (724,590)		\$ -	\$ -	\$ -	\$ -	\$ 686,914
Gross Rental Income								
7	Retail/Office			\$ 66,000	\$ 66,990	\$ 67,995	\$ 69,015	\$ 70,050
8	Total Gross Rental Income			\$ 66,000	\$ 66,990	\$ 67,995	\$ 69,015	\$ 70,050
Less: Adjustments to GRI								
9	Retail/Office - Vacancy			\$ (3,300)	\$ (3,350)	\$ (3,400)	\$ (3,451)	\$ (3,502)
10	Total Adjustments to GRI			\$ (3,300)	\$ (3,350)	\$ (3,400)	\$ (3,451)	\$ (3,502)
11	Net Rental Income			\$ 62,700	\$ 63,641	\$ 64,595	\$ 65,564	\$ 66,547
12	Total Income			\$ 62,700	\$ 63,641	\$ 64,595	\$ 65,564	\$ 66,547
Operating Expenses								
13	Retail/Office Operating Expenses			\$ 5,135	\$ 5,202	\$ 5,270	\$ 5,339	\$ 5,409
14	Total Operating Expenses			\$ 5,135	\$ 5,202	\$ 5,270	\$ 5,339	\$ 5,409
15	Net Operating Income			\$ 57,565	\$ 58,438	\$ 59,325	\$ 60,225	\$ 61,139
16	Pretax Cash Flow Before Financing	\$ (724,590)		\$ 57,565	\$ 58,438	\$ 59,325	\$ 60,225	\$ 748,053
17	Return on Investment			7.9%	8.1%	8.2%	8.3%	103.2%
18	Internal Rate of Return (IRR)	7.3%						
NPV Calculations								
19	@ Following Rates ->>	6.0%		7.0%	8.0%			
20	Net Present Value	\$ 36,065		\$ 7,453	\$ (19,180)			
Financing								
21	Proceeds from Seller Financing	\$ -						
22	Proceeds from Permanent Loan	\$ 624,590						
23	Seller Financing Debt Service			\$ -	\$ -	\$ -	\$ -	\$ -
24	Permanent Loan Debt Service			\$ (43,816)	\$ (43,816)	\$ (43,816)	\$ (43,816)	\$ (43,816)
25	Loan Balance in Yr 5							\$ (553,263)
26	Pretax Cash Flow After Financing	\$ (100,000)	\$ -	\$ 13,749	\$ 14,623	\$ 15,510	\$ 16,410	\$ 150,974
27	Return on Equity			13.7%	14.6%	15.5%	16.4%	151.0%
28	Leveraged IRR	15.5%						
29	Loan-to-Cost Ratio (LTC; permanent loan only)	77.6%						
30	Loan-to-Cost Ratio (LTC; all loans)	77.6%						
31	Debt Coverage Ratio (DCR)			1.31	1.33	1.35	1.37	
DISTRIBUTIONS TO EQUITY MEMBERS								
Summary								
40	All Equity Members	\$ (100,000)	\$ -	\$ 6,875	\$ 7,311	\$ 7,755	\$ 8,205	\$ 125,487
41	Return on Equity			6.9%	7.3%	7.8%	8.2%	125.5%
42	Leveraged IRR	8.4%						
43	Manager	\$ -		\$ 6,875	\$ 7,311	\$ 7,755	\$ 8,205	\$ 25,487

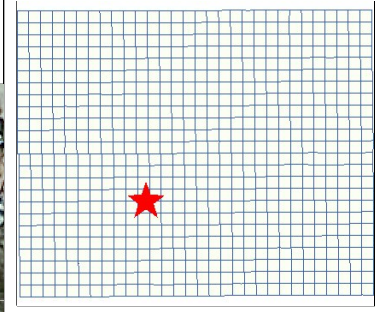
Timeframe to Complete

MONTH





OCURA Property - NE 23rd and Kelham Ave



Legend

- Annotation
- ▣ Sections
- 📏 Streets
- ▭ Parcels
- 🌊 North Canadian River
- 🌊 Rivers & Creeks
- 🌊 Lakes
- 📷 Aerials (flown Feb 28th - March 23rd, 2011)
- 🗺️ County Background



Scale: 1:1,401

This map is a user generated static output from an Internet mapping site and is for general reference only. Data layers that appear on this map may or may not be accurate, current, or otherwise reliable. THIS MAP IS NOT TO BE USED FOR NAVIGATION.

Oklahoma City Urban Renewal Authority
Combining Balance Sheet and
Statement of Revenues, Expenditures and Changes in Fund Balance
as of and for the Eight Months Ending February 28, 2017

	<u>Closeout</u> <u>Project</u> <u>Fund</u>	<u>Revolving</u> <u>Fund</u>	<u>Core to Shore</u> <u>MAPS 3</u> <u>Fund</u>	<u>Core to Shore</u> <u>Buffer</u>	<u>SEP II</u> <u>Fund</u>	<u>Harrison-</u> <u>Walnut</u> <u>Other Fund</u>	<u>Nonfederal</u> <u>Fund</u>	<u>OCRC</u>	<u>Bass Pro</u> <u>Shop</u> <u>Fund</u>	<u>Total</u>	<u>Budget</u> <u>2016-17</u>
Assets											
Cash	945,598	95,263	257,609	6,819,059	-	35,588	264,734	166,834	431,880	9,016,563	
Investments	3,465,462	-	-	-	-	-	-	-	-	3,465,462	
Accounts Receivable	-	37,537	-	-	-	-	-	-	-	37,537	
Due from Other Governmental Entities	-	7,670	-	-	-	-	-	-	-	7,670	
Due from (to) Other Funds	633,320	(140,216)	(275,093)	(1,016,025)	(21,013)	(384,166)	1,203,193	-	-	-	
Total Assets	5,044,380	255	(17,484)	5,803,033	(21,013)	(348,578)	1,467,927	166,834	431,880	12,527,233	
Liabilities and Fund Balances											
Accounts Payable	-	255	-	-	-	-	-	-	-	255	
Deposits	2,700	-	-	-	-	-	-	-	-	2,700	
Total Liabilities	2,700	255	-	-	-	-	-	-	-	2,955	
Total Fund Balances	5,041,680	-	(17,484)	5,803,033	(21,013)	(348,578)	1,467,927	166,834	431,880	12,524,278	
Total Liabilities and Fund Balances	5,044,380	255	(17,484)	5,803,033	(21,013)	(348,578)	1,467,927	166,834	431,880	12,527,233	
Revenues											
Grant Revenues - CDBG	164,584	-	-	-	-	-	-	-	-	164,584	1,398,673
Grant Revenues - Other	-	-	-	-	-	-	-	-	-	-	-
Rentals	14,702	-	-	-	4,710	-	-	-	367,036	386,448	700,000
Real Estate Sales	127,858	-	-	-	-	32,497	31,410	-	-	191,765	5,000,000
Interest	18,817	-	-	156	-	-	-	104	-	19,077	35,000
Core to Shore MAPS 3 Project	-	-	520,682	-	-	-	-	-	-	520,682	900,000
Other	-	-	-	4,500,000	-	-	73	-	-	4,500,073	9,900,000
Total Revenues	325,960	-	520,682	4,500,156	4,710	32,497	31,483	104	367,036	5,782,629	17,933,673
Expenditures											
General and Administrative	192,123	-	37,563	58,727	10,128	247,813	25,698	15,068	58,377	645,497	823,000
Real Estate Acquisition	17,000	-	259,072	4,763,863	-	12,100	-	-	-	5,052,035	10,250,000
Property Disposition	40,532	-	65,489	-	-	32,258	-	-	-	138,279	1,500,000
Site Clearance/Improvements	-	-	-	-	-	-	-	-	81,043	81,043	500,000
Legal	63,695	-	2,734	103,306	7,336	21,179	-	-	1,973	200,222	325,000
Other Professional	24,850	-	14,729	116,618	-	11,959	-	30,000	-	198,156	500,000
Property Management	118,563	-	-	10,486	-	82,106	-	-	98,529	309,684	479,500
Payments to the City of OKC	1,125	-	-	-	-	-	-	-	-	1,125	-
Other	11,944	-	-	-	8,258	9,248	-	12,757	10,140	52,346	50,000
Total Expenditures	469,832	-	379,586	5,053,000	25,723	416,663	25,698	57,825	250,061	6,678,388	14,427,500
Changes in Fund Balance	(143,872)	-	141,096	(552,844)	(21,013)	(384,166)	5,785	(57,721)	116,975	(895,759)	3,506,173
Fund Balance, Beginning of Year	5,185,552	-	(158,580)	6,355,877	-	35,588	1,462,142	224,554	314,905	13,420,037	
Fund Balance, Current	5,041,680	-	(17,484)	5,803,033	(21,013)	(348,578)	1,467,927	166,834	431,880	12,524,278	

Oklahoma City Urban Renewal Authority
Combining Balance Sheet and
Statement of Revenues, Expenditures and Changes in Fund Balance
as of and for the One Month Ending February 28, 2017

	<u>Closeout</u>		<u>Core to Shore</u>			<u>Harrison-</u>			<u>Bass Pro</u>	
	<u>Project</u>	<u>Revolving</u>	<u>MAPS 3</u>	<u>Core to Shore</u>	<u>SEP II</u>	<u>Walnut</u>	<u>Nonfederal</u>		<u>Shop</u>	
	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>	<u>Buffer</u>	<u>Fund</u>	<u>Other Fund</u>	<u>Fund</u>	<u>OCRC</u>	<u>Fund</u>	<u>Total</u>
Assets										
Cash	945,598	95,263	257,609	6,819,059	-	35,588	264,734	166,834	431,880	9,016,563
Investments	3,465,462	-	-	-	-	-	-	-	-	3,465,462
Accounts Receivable	-	37,537	-	-	-	-	-	-	-	37,537
Due from Other Governmental Entities	-	7,670	-	-	-	-	-	-	-	7,670
Due from (to) Other Funds	633,320	(140,216)	(275,093)	(1,016,025)	(21,013)	(384,166)	1,203,193	-	-	-
Total Assets	5,044,380	255	(17,484)	5,803,033	(21,013)	(348,578)	1,467,927	166,834	431,880	12,527,233
Liabilities and Fund Balances										
Accounts Payable	-	255	-	-	-	-	-	-	-	255
Deposits	2,700	-	-	-	-	-	-	-	-	2,700
Total Liabilities	2,700	255	-	-	-	-	-	-	-	2,955
Total Fund Balances	5,041,680	-	(17,484)	5,803,033	(21,013)	(348,578)	1,467,927	166,834	431,880	12,524,278
Total Liabilities and Fund Balances	5,044,380	255	(17,484)	5,803,033	(21,013)	(348,578)	1,467,927	166,834	431,880	12,527,233
Revenues										
Grant Revenues - CDBG	118,928	-	-	-	-	-	-	-	-	118,928
Grant Revenues - Other	-	-	-	-	-	-	-	-	-	-
Rentals	225	-	-	-	4,710	-	-	-	-	4,935
Real Estate Sales	-	-	-	-	-	-	-	-	-	-
Interest	(1,754)	-	-	47	-	-	-	10	-	(1,697)
Core to Shore MAPS 3 Project	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	2,375,000	-	-	-	-	-	2,375,000
Total Revenues	117,400	-	-	2,375,047	4,710	-	-	10	-	2,497,166
Expenditures										
General and Administrative	27,564	-	5,745	3,376	718	22,380	148	-	-	59,932
Real Estate Acquisition	-	-	62,764	3,918,038	-	7,100	-	-	-	3,987,902
Property Disposition	3,490	-	-	-	-	-	-	-	-	3,490
Site Clearance/Improvements	-	-	-	-	-	-	-	-	-	-
Legal	5,548	-	-	18,981	-	2,813	-	-	-	27,341
Other Professional	-	-	245	27,930	-	240	-	-	-	28,415
Property Management	20,070	-	-	-	-	9,140	-	-	12,199	41,409
Payments to the City of OKC	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	2,158	-	2,158
Total Expenditures	56,671	-	68,754	3,968,325	718	41,673	148	2,158	12,199	4,150,647
Changes in Fund Balance	60,728	-	(68,754)	(1,593,278)	3,992	(41,673)	(148)	(2,148)	(12,199)	(1,653,480)
Fund Balance, Beginning of Period	4,980,952	-	51,269	7,396,312	(25,005)	(306,906)	1,468,075	168,982	444,079	14,177,758
Fund Balance, Current	5,041,680	-	(17,484)	5,803,033	(21,013)	(348,578)	1,467,927	166,834	431,880	12,524,278

Oklahoma City Urban Renewal Authority
Combining Balance Sheet and
Statement of Revenues, Expenditures and Changes in Fund Balance
as of and for the One Month Ending January 31, 2017

	<u>Closeout</u>		<u>Core to Shore</u>			<u>Harrison-</u>			<u>Bass Pro</u>	
	<u>Project</u>	<u>Revolving</u>	<u>MAPS 3</u>	<u>Core to Shore</u>	<u>SEP II</u>	<u>Walnut</u>	<u>Nonfederal</u>		<u>Shop</u>	
	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>	<u>Buffer</u>	<u>Fund</u>	<u>Other Fund</u>	<u>Fund</u>	<u>OCRC</u>	<u>Fund</u>	<u>Total</u>
Assets										
Cash	1,428,561	90,844	320,618	3,008,986	-	35,588	264,882	168,982	444,079	5,762,539
Investments	2,979,820	-	-	-	-	-	-	-	-	2,979,820
Accounts Receivable	-	33,496	-	-	-	-	-	-	-	33,496
Due from Other Governmental Entities	-	4,798	-	5,400,000	-	-	-	-	-	5,404,798
Due from (to) Other Funds	575,271	(128,943)	(269,348)	(1,012,674)	(25,005)	(342,493)	1,203,193	-	-	-
Total Assets	4,983,652	195	51,269	7,396,312	(25,005)	(306,906)	1,468,075	168,982	444,079	14,180,653
Liabilities and Fund Balances										
Accounts Payable	-	195	-	-	-	-	-	-	-	195
Deposits	2,700	-	-	-	-	-	-	-	-	2,700
Total Liabilities	2,700	195	-	-	-	-	-	-	-	2,895
Total Fund Balances	4,980,952	-	51,269	7,396,312	(25,005)	(306,906)	1,468,075	168,982	444,079	14,177,758
Total Liabilities and Fund Balances	4,983,652	195	51,269	7,396,312	(25,005)	(306,906)	1,468,075	168,982	444,079	14,180,653
Revenues										
Grant Revenues - CDBG	45,656	-	-	-	-	-	-	-	-	45,656
Grant Revenues - Other	-	-	-	-	-	-	-	-	-	-
Rentals	1,892	-	-	-	-	-	-	-	52,434	54,325
Real Estate Sales	111,750	-	-	-	-	-	-	-	-	111,750
Interest	231	-	-	26	-	-	-	11	-	268
Core to Shore MAPS 3 Project	-	-	19,342	-	-	-	-	-	-	19,342
Other	-	-	-	-	-	-	-	-	-	-
Total Revenues	159,528	-	19,342	26	-	-	-	11	52,434	231,341
Expenditures										
General and Administrative	38,488	-	8,348	9,629	2,166	(633)	-	-	101	58,099
Real Estate Acquisition	-	-	-	-	-	5,000	-	-	-	5,000
Property Disposition	3,828	-	-	-	-	-	-	-	-	3,828
Site Clearance/Improvements	-	-	-	-	-	-	-	-	-	-
Legal	3,835	-	542	22,604	-	125	-	-	-	27,105
Other Professional	5,100	-	1,200	9,630	-	-	-	-	-	15,930
Property Management	10,852	-	-	-	-	13,774	-	-	12,199	36,825
Payments to the City of OKC	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total Expenditures	62,103	-	10,090	41,862	2,166	18,266	-	-	12,300	146,787
Changes in Fund Balance	97,425	-	9,252	(41,836)	(2,166)	(18,266)	-	11	40,134	84,553
Fund Balance, Beginning of Period	4,883,526	-	42,017	7,438,148	(22,838)	(288,640)	1,468,075	168,971	403,946	14,093,205
Fund Balance, Current	4,980,952	-	51,269	7,396,312	(25,005)	(306,906)	1,468,075	168,982	444,079	14,177,758

Oklahoma City Urban Renewal Authority
Schedule of Investments
February 28, 2017

<u>Investments</u>	<u>Interest</u> <u>Rate</u>	<u>Maturity</u> <u>Date</u>	<u>Settlement</u> <u>Date</u>	<u>Amount</u>
BMW Bank North America CD	0.90%	03/13/17	03/11/15	245,000
Goldman Sachs Bank USA CD	0.85%	04/24/17	04/22/15	249,000
FirstBank Puerto Rico CD	0.95%	06/12/17	06/12/15	250,000
Capital One Bank USA NA CD	1.05%	06/19/17	06/17/15	249,000
Barclays Bank/Delaware CD	1.15%	09/18/17	09/16/15	245,000
Federal Home Loan Mtg Corp MTN	0.90%	09/18/17	01/08/16	1,001,820
Capital One NA CD	1.20%	10/30/17	10/28/15	245,000
American Express Centurion CD	1.20%	10/30/17	10/28/14	245,000
Medallion Bank Utah CD	0.95%	04/30/18	04/29/16	250,000
Discover Bank CD	2.10%	08/20/19	02/15/17	242,642
State Bank of India CD	2.15%	09/11/19	02/15/17	243,000
Total Investments	1.46%			3,465,462