

**SPECIAL MEETING OF THE MIDWEST CITY
ECONOMIC DEVELOPMENT AUTHORITY AGENDA**

City Hall - Midwest City Council Conference room, second floor, 100 N. Midwest Boulevard

February 06, 2018 - 6:00 PM

To make a special assistance request, call 739-1215 or email pmenefee@midwestcityok.org no less than 24 hours prior to the start of a meeting. If special assistance is needed during a meeting, call 739-1388.

- A. CALL TO ORDER.
- B. DISCUSSION ITEMS.
 - 1. Discussion and consideration of approving the minutes of the special staff briefing and meeting of January 9, 2018; and the special meeting of January 30, 2018, all as submitted.
 - 2. Discussion and consideration of adopting a resolution relating to the approval of the Non-Binding Term Sheet of the Midwest City Economic Development Authority Loan to Sooner Town Center, L.L.C. and STC III, L.L.C., related to the Town Center Plaza Project; authorizing the Chairman of the Authority to execute the Term Sheet; authorizing legal counsel to continue the negotiation of the terms and conditions of Loan Documents and other agreements as may be necessary or required, consistent with the Term Sheet, in preparation for approval and execution; and containing other provisions relating thereto.
- C. ADJOURNMENT.

This Special Midwest City Economic Development Authority meeting was filed with the City Clerk of Midwest City 48 hours prior to the meeting and public notice was accessible at least 24 hours before this meeting at City Hall and on the Midwest City website (www.midwestcityok.org).

**MINUTES OF THE SPECIAL STAFF BRIEFING FOR THE MIDWEST CITY
ECONOMIC DEVELOPMENT AUTHORITY MEETING**

January 9, 2018 - 6:00 PM

This special meeting was held in the Midwest City Council Conference Room on the second floor of City Hall, 100 North Midwest Boulevard, Midwest City, County of Oklahoma, State of Oklahoma.

Chairman Dukes called the meeting to order at 6:52 PM with the following members present: Trustees Susan Eads, Pat Byrne, Rick Dawkins, Sean Reed, Christine Allen, and Jeff Moore; and Secretary Sara Hancock. Absent: none.

DISCUSSION.

Clarification of agenda items, handouts, and presentation of new or additional information for items on the Economic Development Authority agenda for January 9, 2018.

The Trustees had no questions or comments for the staff.

Chairman Dukes closed the meeting at 6:52 PM.

ATTEST:

MATTHEW D. DUKES II, Chairman

SARA HANCOCK, Secretary

This Special Midwest City Economic Development Authority meeting was filed with the City Clerk of Midwest City 48 hours prior to the meeting and public notice was accessible at least 24 hours before this meeting at City Hall and on the Midwest City website (www.midwestcityok.org).

**MINUTES OF THE SPECIAL MIDWEST CITY
ECONOMIC DEVELOPMENT AUTHORITY MEETING**

January 9, 2018 - 7:04 PM

This special meeting was held in the Midwest City Council Chambers, 100 North Midwest Boulevard, Midwest City, County of Oklahoma, State of Oklahoma.

Chairman Matt Dukes called the meeting to order at 8:13 PM with the following members present: Trustees Susan Eads, Pat Byrne, Rick Dawkins, Sean Reed, Christine Allen, and Jeff Moore; and Secretary Sara Hancock. Absent: none.

Discussion Items.

1. **Discussion and consideration of approval of a professional agreement to engage the Baker Group to represent the authority as municipal advisor in connection with the issuance and sale of its series 2018 revenue bonds; and authorize the chairman to execute and deliver the professional agreement and such other documents and agreements as may be necessary or required relating thereto.** Dawkins made a motion to approve and enter into the agreement, seconded by Allen. Voting aye: Eads, Byrne, Dawkins, Reed, Allen, Moore, and Chairman Dukes. Nay: none. Absent: none. Motion carried.

2. **Discussion and consideration of approval of a professional agreement to engage Hilborne & Weidman, a professional corporation, to represent the authority as bond counsel in connection with the issuance and sale of its series 2018 revenue bonds; and authorize the chairman to execute and deliver the professional agreement and such other documents and agreements as may be necessary or required relating thereto.** Dawkins made a motion to approve and enter into the agreement, seconded by Byrne. Voting aye: Eads, Byrne, Dawkins, Reed, Allen, Moore, and Chairman Dukes. Nay: none. Absent: none. Motion carried.

New Business/Public Discussion. There was no new business or public discussion.

Adjournment.

There being no further business, Chairman Dukes adjourned the meeting at 8:15 PM.

ATTEST:

MATTHEW D. DUKES II, Chairman

SARA HANCOCK, Secretary

A notice for this special Midwest City Economic Development Authority meeting was filed with the City Clerk of Midwest City 48 hours prior to the meeting. Public notice of this agenda was accessible at least 24 hours before this meeting at City Hall and on the Midwest City website (www.midwestcityok.org).

Special Midwest City Economic Development Authority Meeting Minutes

January 30, 2018 – 6:00 PM

This meeting was held in the Midwest City Council Chambers at City Hall, 100 N. Midwest Boulevard, Midwest City, County of Oklahoma, State of Oklahoma.

Mayor Matt Dukes called the meeting to order at 6:38 PM with the following members present: Councilmembers: Susan Eads, Pat Byrne, Rick Dawkins, Sean Reed, and Christine Allen; and City Clerk Sara Hancock. Absent: Jeff Moore.

Discussion Items.

- 1. Discussion and consideration of adopting a resolution authorizing the issuance of Midwest City Economic Development Authority Economic Development revenue bonds (Town Center Plaza Project) taxable refunding series 2018 in an aggregate amount of not to exceed \$50,000,000.00; waiving competitive bidding on said bonds and authorizing the sale of the bonds at a discount; authorizing and approving a bond placement agreement, trust indenture, replenishment agreement and authorizing other documents and agreements as may be necessary or required; authorizing a preliminary and final offering document; and containing other provisions relating thereto.** Greg Nieto with The Baker Group spoke with the Council. Dawkins made a motion to change the bond placement agreement with the bond purchase agreement, to approve Resolution EDA 2018-01, to approve the replenishment agreement, and to approve the trust indenture, as submitted. Voting aye: Eads, Byrne, Dawkins, Reed, Allen, and Mayor Dukes. Nay: none. Absent: Moore. Abstain: none.

Adjournment.

There being no further business, Mayor Dukes adjourned the meeting at 6:10 PM.

ATTEST:

MATTHEW D. DUKES, II, Mayor

SARA HANCOCK, City Clerk



City Manager
100 N. Midwest Boulevard
Midwest City, OK 73110
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Office: 405.739.1204/Fax: 405.739.1208
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MEMORANDUM

TO: Honorable Chairman and Trustees of the Economic Development Authority

FROM: J. Guy Henson, City Manager

DATE: February 6, 2018

SUBJECT: Discussion and consideration of adopting a resolution relating to the approval of the Non-Binding Term Sheet of the Midwest City Economic Development Authority Loan to Sooner Town Center, L.L.C. and STC III, L.L.C., related to the Town Center Plaza Project; authorizing the Chairman of the Authority to execute the Term Sheet; authorizing legal counsel to continue the negotiation of the terms and conditions of Loan Documents and other agreements as may be necessary or required, consistent with the Term Sheet, in preparation for approval and execution; and containing other provisions relating thereto.

Please find attached the resolution approving the Non-Binding Term Sheet of the Midwest City Economic Development Authority Loan to Sooner Town Center, L.L.C. and STC III, L.L.C., related to the Town Center Plaza Project. Attached to the resolution as Exhibit A, is the Term Sheet.

Lisa M. Harden of the Center for Economic Development Law will be available to comment on the Term Sheet and the resolution approving it, as well as respond to questions related thereto. The Loan Documents are being drafted and will be provided to the Authority for review as soon as possible.

J. Guy Henson, AICP
City Manager

RESOLUTION

A RESOLUTION APPROVING THE NON-BINDING TERM SHEET OF THE MIDWEST CITY ECONOMIC DEVELOPMENT AUTHORITY LOAN TO SOONER TOWN CENTER, L.L.C. AND STC III, LLC, RELATED TO THE TOWN CENTER PLAZA PROJECT; AUTHORIZING THE CHAIRMAN OF THE MIDWEST CITY ECONOMIC DEVELOPMENT AUTHORITY TO EXECUTE THE TERM SHEET; AUTHORIZING LEGAL COUNSEL TO CONTINUE THE NEGOTIATION OF THE TERMS AND CONDITIONS OF LOAN DOCUMENTS AND OTHER AGREEMENTS AS MAY BE NECESSARY OR REQUIRED, CONSISTENT WITH THE TERM SHEET, IN PREPARATION FOR APPROVAL AND EXECUTION; AND CONTAINING OTHER PROVISIONS RELATING THERETO.

WHEREAS, the Midwest City Economic Development Authority (“Authority”) was created by a Trust Indenture dated as of December 12, 2017, for the use and benefit of Midwest City, Oklahoma (“City”), under authority of and pursuant to the provisions of Title 60, Oklahoma Statutes (Supp. 2017), Section 176 to 180.3, inclusive, as amended and supplemented, and other applicable statutes of the State of Oklahoma; and

WHEREAS, the Authority, by Resolution 2018-01, dated January 30, 2018, authorized the issuance of the Midwest City Economic Development Authority Revenue Bonds (Town Center Plaza Project) Taxable Refunding Series 2018 (“Bonds”) in an aggregate amount of not to exceed \$50,000,000.00, in order to refinance the outstanding debt of Sooner Town Center, L.L.C. and STC III, LLC (collectively, “Borrower”) initially used for the purpose of the development of the retail center located in the City known as the Town Center Plaza Project, to make additional improvements to the Town Center Plaza Project, and to pay costs in connection with the issuance of the Bonds and costs related to such financing; and

WHEREAS, the Authority intends to issue the Bonds and to loan the proceeds from the sale of the Bonds to the Borrower in order to refinance the Town Center Plaza Project on terms and conditions detailed in certain loan and security documents, including but not limited to a Promissory Note evidencing the loan; a Leasehold Mortgage, Assignment of Rents and Security Agreement encumbering the Borrower’s leasehold interest in certain real and personal property; an Assignment of Leases and Rents; an Assignment of Contracts, Licenses, Permit, Agreements; an Account Control Agreement; a Non-Recourse Guaranty Agreement of Guarantors; UCC Financing Statements; and such other documents as are required in connection with the issuance of the Bonds (collectively, “Loan Documents”); and

WHEREAS, legal counsel for the Authority have negotiated the terms of a Non-Binding Term Sheet (“Term Sheet”) with the Borrower, describing the framework of the Loan Documents required in connection with the issuance of the Bonds, and attached hereto as Exhibit A; and

WHEREAS, the Borrower has executed the Term Sheet indicating its approval to move forward with the negotiation and drafting of the Loan Documents required in connection with the issuance of the Bonds; and

WHEREAS, as previously determined by the Authority in its Resolution 2018-01 authorizing the issuance of the Bonds, the Authority hereby ratifies its finding and determination that the refinancing of and funding of improvements to the Town Center Plaza Project is in the public interest and is a public purpose, benefitting the City, its citizens, and the Authority; and

WHEREAS, therefore, the Authority finds it appropriate, necessary, and desirable to approve the Term Sheet and to authorize the Chairman of the Authority to execute such Term Sheet, as a statement of the Authority's approval of the framework of the Loan Documents required in connection with the issuance of the Bonds; and

WHEREAS, in order to effectuate the provisions of the Term Sheet, the Authority finds it appropriate, necessary, and desirable to authorize and direct its legal counsel to continue the negotiation, drafting, and finalizing of the Loan Documents for presentation to the Authority for its approval and execution.

BE IT RESOLVED BY THE TRUSTEES OF THE MIDWEST CITY ECONOMIC DEVELOPMENT AUTHORITY THAT EACH OF THE "WHEREAS" PROVISIONS APPEARING ABOVE ARE ADOPTED AND APPROVED, AND FURTHER RESOLVE:

SECTION 1. The Term Sheet is hereby approved. The Chairman of the Authority is hereby authorized to execute the Term Sheet.

SECTION 2. Legal counsel for the Authority is hereby authorized and directed to continue in the negotiation, drafting, and finalizing of the Loan Documents consistent with the Term Sheet.

SECTION 3. The Loan Documents shall be presented to the Authority for approval and execution prior to the issuance of the Bonds.

SECTION 4. The Chairman, legal counsel, officers, and staff for the Authority are hereby authorized and directed to prepare and execute such documents, letters, and authorizations as may be appropriate or desirable to implement this resolution, facilitate the issuance of the Bonds, and carryout all prior authorizations related to the Town Center Plaza Project, consistent with the Term Sheet.

ADOPTED the 6th day of February, 2018.

MIDWEST CITY ECONOMIC DEVELOPMENT AUTHORITY

Chairman of Trustees

ATTEST:

Secretary of Trustees

[SEAL]

I, the undersigned, the duly qualified and action Secretary of the Trustees of the Midwest City Economic Development Authority, hereby certify that the foregoing is a true, correct and complete copy of a Resolution of the Trustees of the Authority held on the date therein stated as the same appears in the minutes of said meeting on file in my office as part of the official records thereof.

I further certify that notice of this special meeting was given to me at least forty-eight (48) hours prior to said meeting and that a true and complete copy of the Public Notice, attached hereto as Exhibit A, was posted in prominent public view at the City City City Hall, 100 N. Midwest City Boulevard, Midwest City, Oklahoma, twenty-four (24) hours prior to the date of the meeting therein described, excluding Saturdays, Sundays and legal holidays.

WITNESS my hand and seal of said Authority this 6th day of February, 2018.

Secretary of Trustees

[SEAL]

EXHIBIT A

NON-BINDING TERM SHEET MIDWEST CITY ECONOMIC DEVELOPMENT AUTHORITY LOAN TO SOONER TOWN CENTER, L.L.C.

Preface: Midwest City Economic Development Authority, a public trust (“Issuer”), intends to issue its “Midwest City Economic Development Authority Economic Development Revenue Bonds (Town Center Plaza Project), Taxable Refunding Series 2018” (the “Bonds”), with Bancfirst as the Bond trustee (“Trustee”), and to loan the proceeds from the sale thereof to Borrower, to refinance the Project (as hereafter defined) on terms and conditions more particularly set forth in certain loan and security documents, which are generally described in this term sheet for discussion purposes.

In the event the Bonds are issued, Issuer will be obligated to pay the bond indebtedness pursuant to certain bond documents. Issuer (also Lender) intends to make its loan to Borrower on materially similar terms as are set forth in the bond documents, and on such additional terms as Lender may determine to be necessary, appropriate and lawful. The terms outlined below are not intended to be all-inclusive, but represent the basic loan terms Lender would consider.

The terms outlined below are based on preliminary data and information obtained with respect to the proposed loan to Borrower, the Bond issuance and sale thereof, and the actual issuance of the Bonds and the actual sale thereof on terms satisfactory to Issuer.

Project: Town Center Plaza Shopping Center, located generally at S.E. 29th Street and S. Air Depot Blvd., on approximately 88 acres of land, in Midwest City, Oklahoma, and comprised of approximately 465,000 square feet of retail space and 9 outparcels. The Project excludes the following parcels and as identified on the attached exhibit: (1) that portion of the Project located generally at its northwest corner comprised of approximately 70,000 square feet of retail space currently leased to Dick’s Sporting Goods, Office Depot, and McAlister’s Deli (STC II Parcel); (2) Target parcel; (3) Mattress Firm/Pei Wei parcel; (3) Santa Fe Cattle Co Parcel; (4) Gas Station/Xpress Cellular Repair Parcel; and (5) MWCURA Parcel.

Lender: Midwest City Economic Development Authority, a public trust.

Borrower: Sooner Town Center, L.L.C., an Oklahoma limited liability company, and STC III, LLC, an Oklahoma limited liability company.

Loan Amount: +/- \$48.5M

Loan Purpose: Refinancing of existing project loans, and establishment of certain escrow and reserve accounts

Interest Rate/Fees: The interest rate will be determined at the time of sale of the Bonds. For the credit enhancement fee to be paid by Borrower to the Midwest City Municipal Authority see Exhibit A attached. In addition, the Borrower will pay the actual cost of Issuer’s annual audit.

Term: 30 years.

Prepayment: Prepayment may be permitted to the extent and only to the extent Lender is permitted to make prepayment under the Bond documents, and to the extent approved by Lender.

- Loan to Value:** It shall be a condition to close that the maximum loan-to-value ratio of 75% is based on the MAI appraisal, which shall be provided by Borrower and acceptable to Lender.
- Debt Service Coverage:** Minimum Coverage Ratio of not less than 1.20 for each twelve (12) month period ending on the last day of each fiscal quarter of the Borrower (or from and after the Borrower's failure to do so until the failure is cured, for the twelve (12) month period ending on the last day of each calendar month) prior to the expiration or termination of the loan agreement. "Coverage Ratio" for any period means the ratio of EBITDAR to debt service expense for the given. Borrower shall provide Trustee with a compliance certificate in form and substance attached to the loan agreement with respect to the Coverage Ratio for each specified period, within 30 days of the end of such period. In the event the Coverage Ratio for any given period is less than the Minimum Coverage Ratio, Borrower shall make payments to Trustee for deposit in a supplemental reserve fund, subject to terms and conditions set forth in the loan agreement. In addition, Trustee shall have the right to take control of the Operating Fund to enforce Borrower's payment obligations pursuant to the terms of a Control Agreement to be executed by Borrower, Issuer, and Trustee.
- Operating Fund:** An account established by Borrower in the name of Borrower, Issuer, and the Trustee into which all revenues shall be deposited by Borrower. Such account shall be established with a bank determined by Borrower and shall allow for the withdrawal of funds therein by the Trustee pursuant to the provisions of the Bond documents, including an account control agreement.
- Late Charge/Default Rate:** Lender may assess a late charge of 5% of any amounts owed and unpaid within 10 days from the due date (except in regard to the final loan payment). During the continuance of an Event of Default, interest shall be payable at the rate of 12% per annum.
- Recourse:** Borrower and Robert C. Collett and Robert D. Stearns ("Guarantors") shall be fully and personally liable on a joint and several basis for any and all liability, loss, cost, or damage incurred by Lender resulting from misapplication or misappropriation of insurance proceeds, rents, security deposits, or other payments, gross negligence or willful misconduct, waste to the Project, wrongful removal of property, fraud, prohibited transfers, single purpose entity violations, and other non-recourse carveout items that may be required by Lender after completing due diligence. The terms of the Guaranty Agreement executed by Guarantors shall be valid and enforceable for a period of ten (10) years from the effective date of the loan agreement.
- Assumption:** Lender's written approval is required, which approval will not be unreasonably withheld provided the transferee has experience in operating and managing Class A retail projects comparable to Borrower's experience, as determined by Lender. Borrower shall be responsible for expenses incurred by Lender in reviewing any proposed loan assumption.
- Transfers:** Transfers of any direct or indirect interest in the Project and/or any ownership interest therein or in the Borrower will not be permitted, without Lender's prior express written approval, which approval may be given or withheld in Lender's sole and absolute discretion, except as follows ("Permitted Transfer"): No consents are needed for (i) transfers of up to 75% of the direct or indirect ownership interests in the Borrower, or (ii) transfers by devise, descent, or by operation of law upon the death or legal incapacity of a natural person or for estate planning purposes; provided (a) Robert D. Stearns Revocable Trust and Robert C. Collett* whether individually or collectively retain at least 25% of the membership interests directly or indirectly in the Borrower; and (b) either Robert D. Stearns or Robert C. Collett remain the managing member of Borrower.

Transfers such that neither Robert D. Stearns or Robert C. Collett remain the managing member of Borrower require Lender's written approval, which will not be unreasonably withheld if the transferee has the financial qualifications and experience in operating and managing Class A retail projects comparable to that of Robert D. Stearns and Robert C. Collett, as determined by Lender. In connection with a transfer where Robert C. Collett or Robert D. Stearns will no longer remain a managing member of Borrower, Borrower may request, and Lender may require, respective substitute guarantor(s) satisfactory to Lender, as determined by Lender, approval of which will not be unreasonably withheld. *Robert C. Collett's ownership in the Borrower will be more particularly described in the loan agreement to be finalized between the parties.

Due on Sale: The Loan shall automatically be due and payable upon any sale or transfer, of all or any portion of the Project or any direct or indirect ownership interest in Borrower, or any other transfer or change of management and/or ownership of the Project to the extent the same is not a Permitted Transfer, a permitted secondary mortgage financing, or without the express prior written consent of Lender.

Escrows: Monthly and up-front escrows will be not initially be required for taxes, insurance, and other assessments but lender may require them in the future during any period of default under the loan.

R&M Expenses: The financing includes the amount of \$1,300,000, which will be disbursed to Borrower at closing, to perform immediate paving repairs. Borrower will provide a property condition assessment, engineering report, or other documentation as may be reasonably required by Lender evidencing said repairs and costs.

**Replacement Reserve,
TI and Leasing
Commissions:** The financing includes \$439,700, which will be disbursed to Borrower at closing, for tenant leasing costs to be incurred by Borrower in connection with the following new tenants in the Project: Zoe's Kitchen and Blaze Pizza. Borrower will provide documentation as may be reasonably required by Lender to evidence costs incurred.

In addition, the financing will include a reserve of \$2,000,000 for replacement reserves, future tenant inducement costs including without limitation for tenant improvements, tenant improvement allowances, free rent and leasing commissions. Funds will be released to Borrower for reimbursement for such costs incurred in connection with tenant turnover or lease renewals. Borrower will provide documentation as may be reasonably required by Lender to evidence costs incurred. Borrower will make deposits into such reserves any time the reserve balance is less than \$1,000,000.

All reserves will bear interest for the benefit of Borrower.

**Existing Escrow/
Reserve Accounts:** Funds in established escrow/reserve accounts, as may be required by Borrower's current lender, shall be deposited into an account mutually approved by Lender and Borrower.

**Secondary Mortgage
Financing:** Provided there is no uncured Event of Default outstanding under the loan documents, and further provided that the secondary mortgage financing is expressly and fully subordinate to the senior mortgage and loan documents, Borrower may, from time to time, request Lender's prior written approval to secure secondary mortgage financing. Lender's consent will not be required if the following conditions and requirements are satisfied: (1) the total principal amount of secondary mortgage financing does not exceed, in the

aggregate, \$7M (increased annually by CPI-U); (2) Borrower gives Lender 60 days prior written notice of its request to secure secondary mortgage financing; (3) Borrower provides Lender with a copy of all proposed documents and instruments in connection with said secondary mortgage financing; (4) Borrower certifies as to the DSCR which includes secondary mortgage financing (to be renewed annually); (5) the secondary mortgage financing is not cross defaulted or cross collateralized with any other loan; (6) Lender's lien on the leases and income shall at all times continue to be a first priority lien; and (7) subordinate lender executes a subordination and intercreditor agreement on terms acceptable to Lender. Any secondary mortgage financing above \$7M, as adjusted, requires Lender's prior written approval. Borrower shall be responsible for expenses incurred by Lender in reviewing any proposed secondary mortgage financing. Additional conditions and requirements with respect to secondary mortgage financing will be provided in the loan documents.

Financial Reports:

Borrower will provide monthly and quarterly unaudited financial statements, operating statements and rent rolls verified as complete and accurate by the Borrower's Chief Financial Officer. Borrower will provide an operating and capital expenses budget for each year no later than January 31. Borrower will provide annual audited financial statements certified by an accounting firm reasonably acceptable to Lender.

Secured Property:

(1) the ground leasehold interest and all related improvements, buildings, appurtenances and other property comprising the Project; (2) all tenant leases and rental revenues therefrom; and (3) all contracts, licenses, permits, and other agreements related to the operation, maintenance, and management of the Project.

Security Documents:

Borrower shall execute a Promissory Note evidencing the loan. In addition, the following agreements shall be executed and delivered to secure the payment of the loan: (1) A first Leasehold Mortgage, Assignment of Rents and Security Agreement encumbering Borrower's leasehold interest in the real property, improvements, related buildings, appurtenances, and personal property; (2) Assignment of Leases and Rents; (3) Assignment of Contracts, Licenses, Permits, Agreements; (4) Account Control Agreement; (5) Non-Recourse Guaranty Agreements of Guarantors; (6) UCC Financing Statements, all as described in the loan documents; and (7) such other documents as are required in connection with the issuance of the Bonds.

General Closing Requirements:

Appraisal:

To support matters related to the public benefit of making this loan to Borrower, an appraisal of the Project is necessary. The most recent MAI appraisal prepared for the Project will be acceptable, provided it is modified to (1) be in favor of Lender, and (2) to reflect assumptions approved by Lender.

Title:

30 days before closing, Borrower shall obtain a mortgagee's policy of title insurance reflecting the Borrower's valid leasehold estate in the Property together with all improvements thereon, insuring the priority of Lender's lien as a valid first lien on the real property and all improvements located therein, subject only to exceptions as are approved by Lender in writing.

Insurance:

Proof of (1) special form insurance, including flood, earthquake, fire, and other casualty insurance, for the full replacement value of the buildings, structures, and other

improvements comprising the Project, naming Lender and trustee as loss payees; and (2) commercial general liability insurance with respect to the Project, naming Lender and trustee as additional insureds, in such amounts as may be required by Lender. All insurance must be in form and substance satisfactory to Lender and written by carriers with Standard and Poor's rating of at Least A.

- Survey:** ALTA / NSPS Survey of the Project and land
- Leases:** 15 days before closing, Borrower shall deliver to Lender a fully executed copy of all leases, and lease amendments.
- Estoppel Certificate:** Borrower shall provide Lender with the executed estoppels it obtained in 2017. Borrower shall execute an affidavit, in form and substance required by Lender, pursuant to which Borrower covenants, represents and warrants, that the information contained in each estoppel is true and correct as of the date of closing of the loan.
- SNDA:** Each lease shall be subordinate to the Security Documents. To the extent required or necessitated by any given lease, each respective tenant shall sign a subordination and attornment agreement in favor of Lender, and Lender will, if requested, execute a non-disturbance agreement in favor of such tenant, in form and substance approved by Lender
- Opinion of Counsel:** An opinion issued by Borrower's counsel addressed to Lender, Trustee, and Bond counsel which shall address: due authorization, execution and delivery, enforceability of the loan documents, a usury opinion and such other opinions as Lender, Trustee, and Bond counsel may reasonably require.
- Other:** Other closing requirements as may be required by Lender.
- Closing Date:** February 27, 2018.
- Not Binding:** It is understood and agreed that the parties to this term sheet are not under a binding obligation to the other until and unless documents acceptable to all applicable parties have been prepared and executed, whereupon those mutually acceptable documents shall govern (not this term sheet).

[SIGNATURE PAGE FOLLOWS]

APPROVED this ____ day of _____, 2018.

BORROWER:

SOONER TOWN CENTER, L.L.C.
an Oklahoma limited liability company

By: Robert L. Collett
Name: Robert L. Collett
Title: manager

STC III, LLC
an Oklahoma limited liability company

By: Robert L. Collett
Name: Robert L. Collett
Title: manager

LENDER:

**MIDWEST CITY ECONOMIC DEVELOPMENT
AUTHORITY, a public trust**

By: _____
Chairman

Exhibit "A"
Term Sheet

Variable Credit Enhancement Fee: Projections for Market Interest Rates 5.00 to 5.75%
With .25% Credit Enhancement Fee Floor and .50% Credit Enhancement Fee Ceiling; Interest rate is
Determined by Market

Prepared 1.30.18

Target Combined Interest and Credit
Enhancement Fee

5.50

Market Interest Rate	5.00	5.05	5.10	5.15	5.20	5.25	5.30	5.35	5.40
Credit Enhancement Fee	0.50	0.45	0.40	0.35	0.30	0.25	0.25	0.25	0.25

Interest and Credit Enhancement Fee 5.50 5.50 5.50 5.50 5.50 5.50 5.55 5.60 5.65

Market Interest Rate	5.40	5.45	5.50	5.55	5.60	5.65	5.70	5.75
Credit Enhancement Fee	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25

Interest and Credit Enhancement Fee 5.65 5.70 5.75 5.80 5.85 5.90 5.95 6.00