



**MIDWEST CITY**

*Where the Spirit Flies High*

MEMORIAL HOSPITAL  
AUTHORITY AGENDA

MIDWEST CITY, OK



EST 1942



## **MIDWEST CITY SPECIAL MEMORIAL HOSPITAL AUTHORITY AGENDA**

City Hall - Midwest City Council Chambers, 100 N. Midwest Boulevard

June 23, 2017 - 12:00 PM

To make a special assistance request, call 739-1215 or email [pmenefee@midwestcityok.org](mailto: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. EXECUTIVE SESSION.

1. Discussion and consideration of 1) entering into executive session, as allowed under 25 O.S. § 307(C)(10), to confer on matters pertaining to economic development, including the transfer of property, financing or the creation of a proposal to entice a business to remain or to locate within the City.

C. DISCUSSION ITEM.

1. Discussion and consideration of approving a resolution authorizing the issuance of the Midwest City Memorial Hospital Authority's "Bond Anticipation Note(s), Series 2017 (Taxable) (Sooner Rose Increment District Project)" (The "Series 2017 Notes(s)") and waiving competitive bidding on the sale thereof; approving and authorizing the execution and delivery of the Series 2017 Note(s) and all documents relating thereto; authorizing the preparation, distribution and filing of an official statement; designating and appointing Authority officers to act in connection with the sale and delivery of the Series 2017 Note(s); authorizing the issuance of the Authority's "Tax Apportionment Bonds, Series A (Taxable) (Sooner Rose Increment District Project)" and its "Tax Apportionment Bonds, Series B (Taxable) (Sooner Rose Increment District Project)" (collectively, the "Bonds") and waiving competitive bidding on the sale thereof; authorizing and approving documents related to the Bonds; authorizing officers to approve, execute and deliver a Certificate of Determination in connection with the Bonds; authorizing the preparation, filing and distribution of an official statement; authorizing officers to execute and deliver the Bonds; authorizing officers to take additional actions relating to the Series 2017 Note(s) and the Bonds; providing for an effective date; and containing other provisions relating thereto. (G. Henson - General Manager)

D. ADJOURNMENT.



## ***Midwest City Memorial Hospital Authority***

100 North Midwest Boulevard  
Midwest City, Oklahoma 73110  
Office (405) 739-1207 - Fax (405) 739-1208  
E-mail: ghenson@midwestcityok.org

J. Guy Henson  
*General Manager/  
Administrator*

*Trustees*

Matthew D. Dukes II  
Susan Eads  
Pat Byrne  
Rick Dawkins  
M. Sean Reed  
Christine Allen  
Jeff Moore

*Board of Grantors*

Sherry Beaird  
John Cauffiel  
Marcia Conner  
Pam Dimski  
Dara McGlamery  
Joyce Jackson  
Charles McDade  
Nancy Rice  
Sheila Rose

### **MEMORANDUM**

TO: Honorable Chairman and Trustees

FROM: Guy Henson, General Manager/Administrator

DATE: June 23, 2017

SUBJECT: Discussion and consideration of 1) entering into executive session, as allowed under 25 O.S. § 307(C)(10), to confer on matters pertaining to economic development, including the transfer of property, financing or the creation of a proposal to entice a business to remain or to locate within the City.

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Appropriate information will be provided in executive session.

J. Guy Henson, City Manager



## ***Midwest City Memorial Hospital Authority***

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### **MEMORANDUM**

**TO:** Honorable Chairman and Trustees

**FROM:** General Manager Guy Henson

**DATE:** June 23, 2017

**SUBJECT:** Discussion and consideration of approving a resolution authorizing the issuance of the Midwest City Memorial Hospital Authority's "Bond Anticipation Note(s), Series 2017 (Taxable) (Sooner Rose Increment District Project)" (The "Series 2017 Notes(s)") and waiving competitive bidding on the sale thereof; approving and authorizing the execution and delivery of the Series 2017 Note(s) and all documents relating thereto; authorizing the preparation, distribution and filing of an official statement; designating and appointing Authority officers to act in connection with the sale and delivery of the Series 2017 Note(s); authorizing the issuance of the Authority's "Tax Apportionment Bonds, Series A (Taxable) (Sooner Rose Increment District Project)" and it's "Tax Apportionment Bonds, Series B (Taxable) (Sooner Rose Increment District Project)" (collectively, the "Bonds") and waiving competitive bidding on the sale thereof; authorizing and approving documents related to the Bonds; authorizing officers to approve, execute and deliver a Certificate of Determination in connection with the Bonds; authorizing the preparation, filing and distribution of an official statement; authorizing officers to execute and deliver the Bonds; authorizing officers to take additional actions relating to the Series 2017 Note(s) and the Bonds; providing for an effective date; and containing other provisions relating thereto.

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On [April 20, 2017](#) (click date to review the meeting), The City and Authority entered into an agreement with Midwest City Warren Theatre, Inc, to construct a new cinema complex as part of the second phase of the Sooner Rose Shopping Center. Section 4.1 of the agreement required the City/Authority to produce evidence on or about July 1, 2017, that adequate financing was available for the project. Our agreement with Sooner Investment, Inc, requires the same stipulations. Tax Increment Finance counselor Dan McMahan has been working with our bond advisors to formulate the attached document as evidence of our intentions.

Staff recommends approval, which requires a minimum of six (6) votes in the affirmative.

J. Guy Henson, AICP  
General Manager/Administrator

**RESOLUTION**

**RESOLUTION AUTHORIZING THE ISSUANCE OF THE MIDWEST CITY MEMORIAL HOSPITAL AUTHORITY’S “BOND ANTICIPATION NOTE(S), SERIES 2017 (TAXABLE) (SOONER ROSE INCREMENT DISTRICT PROJECT)” (THE “SERIES 2017 NOTE(S)”) AND WAIVING COMPETITIVE BIDDING ON THE SALE THEREOF; APPROVING AND AUTHORIZING THE EXECUTION AND DELIVERY OF THE SERIES 2017 NOTE(S) AND ALL DOCUMENTS RELATING THERETO; AUTHORIZING THE PREPARATION, DISTRIBUTION AND FILING OF AN OFFICIAL STATEMENT; DESIGNATING AND APPOINTING AUTHORITY OFFICERS TO ACT IN CONNECTION WITH THE SALE AND DELIVERY OF THE SERIES 2017 NOTE(S); AUTHORIZING THE ISSUANCE OF THE AUTHORITY’S “TAX APPORTIONMENT BONDS, SERIES A (TAXABLE) (SOONER ROSE INCREMENT DISTRICT PROJECT)” AND IT’S “TAX APPORTIONMENT BONDS, SERIES B (TAXABLE) (SOONER ROSE INCREMENT DISTRICT PROJECT)” (COLLECTIVELY, THE “BONDS”) AND WAIVING COMPETITIVE BIDDING ON THE SALE THEREOF; AUTHORIZING AND APPROVING EXECUTION AND DELIVERY OF THE BONDS AND ALL DOCUMENTS RELATING THERETO; AUTHORIZING OFFICERS TO APPROVE, EXECUTE AND DELIVER A CERTIFICATE OF DETERMINATION IN CONNECTION WITH THE BONDS; AUTHORIZING THE PREPARATION, FILING AND DISTRIBUTION OF AN OFFICIAL STATEMENT; AUTHORIZING OFFICERS TO EXECUTE AND DELIVER THE BONDS; AUTHORIZING OFFICERS TO TAKE ADDITIONAL ACTIONS RELATING TO THE SERIES 2017 NOTE(S) AND THE BONDS; PROVIDING FOR AN EFFECTIVE DATE; AND CONTAINING OTHER PROVISIONS RELATING THERETO.**

**WHEREAS**, the Midwest City Memorial Hospital Authority (hereinafter, the “Authority”) was created by that certain “Trust Indenture” dated as of the 1st day of July, 1961, as amended by that certain “Amended and Restated Trust Indenture”, adopted April 7, 1998, which Amended and Restated Trust Indenture was further amended by that certain “First Amendment to Amended and Restated Trust Indenture of the Midwest City Memorial Hospital Authority”, dated April 20, 2017 (the Trust Indenture and all amendments and restatements thereto are hereinafter referred to, collectively, as the “Trust Indenture”); and

**WHEREAS**, the City of Midwest City has accepted beneficial interest in and to the Trust Indenture, as amended and restated, for the use and benefit of the City of Midwest City (hereinafter, the “City”) under authority of and pursuant to the provisions of Title 60, Sections 176 to 180.3, inclusive, of the Oklahoma Statutes, as amended and supplemented (hereinafter, the “Public Trust Act”) and other applicable statutes of the State of Oklahoma, as a public trust and an agency of the State of Oklahoma for public purposes as therein provided; and

**WHEREAS**, the purposes of the Authority are, in part, to promote economic and community development, within and without the territorial limits of the City, and to promote additional employment which will benefit and strengthen the economy of the City and the State of Oklahoma; and

**WHEREAS**, in order to accomplish its designated purposes, the Authority is empowered to provide funds for the costs of acquiring, constructing, rehabilitating, equipping, securing, maintaining and developing real and personal property within and near the City, and to enter into, make and perform contracts for the sale of its bonds, notes or other evidence of indebtedness to finance the costs thereof; and

**WHEREAS**, on March 28, 2017, the City adopted and approved that certain “Project Plan Relating to Tax Increment District Number Two, City of Midwest City, Oklahoma” (hereinafter, the “Sooner Rose Project Plan”) and has created, within the boundaries set forth in the Project Plan, “Increment District Number Two, City of Midwest City, Oklahoma” (hereinafter, the “Sooner Rose Increment District”) by Ordinance No. 3291 (hereinafter, the “Ordinance”), pursuant to the Oklahoma Local Development Act, Title 62, Section 851, et seq. of the Oklahoma Statutes, as amended; and

**WHEREAS**, the Sooner Rose Project Plan and the Ordinance envision the generation of substantial capital investment and creation of significant new employment within the boundaries of the Sooner Rose Increment District by: (i) the development and construction of a 112,000 square foot expansion to the existing Sooner Rose Shopping Center; and (ii) the development and construction of a 50,000 square foot movie theater facility (hereinafter, collectively, the “Project Facilities”); and

**WHEREAS**, implementation of the Sooner Rose Project Plan will expand employment in the area, attract major investment, enhance the tax base, and make possible investment, development and economic growth which would otherwise be difficult or impossible without the apportionment of ad valorem taxes, municipal sales taxes and other forms of public assistance to the Projects; and

**WHEREAS**, the developers of the Project Facilities have requested that the Authority provide development financing assistance to defray the extraordinary acquisition and building development costs required to develop and construct the Project Facilities; and

**WHEREAS**, the developers of the Project Facilities have also requested that the Authority provide development financing assistance to defray the costs of certain stormwater drainage, street, utility and other public infrastructure improvements within or near to the Sooner Rose Increment District; and

**WHEREAS**, the City and the Authority have determined such development financing assistance to be in furtherance of the purposes of the Public Trust Act, the Oklahoma Local Development Act, Title 62, Sections 850 et seq. of the Oklahoma Statutes, as amended (hereinafter,

the “Local Development Act”) and the Trust Indenture pursuant to which the Authority was created; and

**WHEREAS**, the Authority desires to issue its “Bond Anticipation Note(s), Series 2017 (Taxable) (Sooner Rose Increment District Project)” (hereinafter, the “Series 2017 Note(s)) and to utilize the net proceeds from such Note(s) to pay those project costs described in the Sooner Rose Project Plan; and

**WHEREAS**, the Authority intends to issue tax apportionment bonds and use the net proceeds therefrom to refund all outstanding principal and interest due on the Series 2017 Note(s) prior to its final maturity.

**NOW, THEREFORE, BE IT RESOLVED BY THE TRUSTEES OF THE MIDWEST CITY MEMORIAL HOSPITAL AUTHORITY:**

**SECTION 1. Approving the Issuance and Sale of the Midwest City Memorial Hospital Authority’s “Bond Anticipation Note(s)”, Series 2017 (Taxable) (Sooner Rose Increment District Project)” and Waiving Competitive Bidding on the Sale Thereof.** There is hereby authorized the issuance and sale of the Authority’s “Bond Anticipation Note(s), Series 2017 (Taxable) (Sooner Rose Increment District Project)”, in a principal amount not to exceed Seventeen Million Dollars (\$17,000,000.00) (hereinafter, the “Series 2017 Note(s)”). Competitive bidding on the sale of the Series 2017 Note(s) is hereby waived and the Series 2017 Note(s) are authorized to be sold on a negotiated basis to Wells, Nelson & Associates, LLC and D.A. Davidson & Co., Inc. (collectively, the “Underwriters”) at a price of not less than ninety-nine and one-half percent (99.50%) of par. The Series 2017 Note(s) shall bear interest at the rate not to exceed Three percent (3.00%) per annum. The Series 2017 Note(s) shall be issued in the form and manner provided in, and shall be delivered in accordance with the terms and provisions of, that certain “Bond Anticipation Note Indenture”, dated as of July 1, 2017 (hereinafter, the “Note Indenture”), by and between the Authority and BancFirst, Oklahoma City, Oklahoma, as trustee on behalf of the purchaser(s) of the Series 2017 Note(s) (hereinafter, the “Trustee Bank”). The Series 2017 Note(s) shall not constitute an obligation of the City of Midwest City, Oklahoma, the State of Oklahoma or any political subdivision or agency thereof, other than the Authority, or personal obligations of the trustees of the Authority, but shall be special, limited obligations of the Authority payable solely from and secured by the revenues and other collateral pledged under the Note Indenture, and any supplement thereto.

**SECTION 2. Approving and Authorizing the Execution and Delivery of the Series 2017 Note(s) and All Documents Relating Thereto.** The following documents and instruments underlying the issuance of the Series 2017 Note(s) are hereby approved in substantially the same form as presented at this meeting with such additions, omissions and changes as may be approved by the persons executing the same, their execution being conclusive evidence of their approval of any such additions, omission and changes:

- (a) the Note Indenture;

- (b) that certain “Security Agreement”, dated as of July 1, 2017, by and between the Authority and the City;
- (c) that certain “Note Purchase Agreement”, dated as of July 1, 2017, by and between the Authority and the Underwriters; and
- (d) that certain “First Amendment to Project Plan Relating to Tax Increment District Number Two, City of Midwest City, Oklahoma”.

The Chairman or Vice Chairman and Secretary or any Assistant Secretary of the Authority are authorized and directed on behalf of the Authority to execute, attest, seal and deliver the foregoing documents or instruments prior to or simultaneously with the delivery of the Series 2017 Note(s). The Series 2017 Note(s) shall be delivered to or upon the order of the purchaser(s) of the Series 2017 Note(s) upon satisfaction of the conditions precedent to the delivery of the Series 2017 Note(s). The Series 2017 Note(s) shall be executed in definitive or temporary form and shall be executed in accordance with the provisions of the Note Indenture.

**SECTION 3. Authorizing the Preparation, Distribution and Filing of an Official Statement.** Staff and counsel for the Authority are hereby authorized to prepare, distribute and file a preliminary and final “Official Statement” relating to the Series 2017 Note(s).

**SECTION 4. Designating and Appointing Authority Officers To Act in Connection With the Sale and Delivery of the Series 2017 Note(s).** The Chairman, Vice-Chairman, Secretary and Assistant Secretary of the Authority, are hereby designated and appointed to serve separately as an authorized Authority officer with respect to the Series 2017 Note(s), and, in addition, are each specifically authorized to execute and deliver any and all documents or certificates in relation thereto. The Chairman, Vice-Chairman, Secretary and Assistant Secretary of the Authority are hereby further authorized and directed on behalf of the Authority to accept, receive, transfer, assign, execute, seal, attest, and deliver all such other documents, instruments, certificates and other materials as are necessary or convenient in connection with the authorization, issuance, sale and delivery of the Series 2017 Note(s) or by any security documents and the offering materials.

**SECTION 5. Authorizing the Issuance and Sale of the Authority’s “Tax Apportionment Bonds, Series 2017A (Taxable) (Sooner Rose Increment District)” and Its “Tax Apportionment Bonds, Series 2017B (Taxable) (Sooner Rose Increment District)” (collectively, the “Bonds”) and Waiving Competitive Bidding on the Sale Thereof.** There is hereby authorized the issuance and sale of the Authority’s “Tax Apportionment Bonds, Series [year of issuance] (Taxable) (Sooner Rose Increment District Project)” in two series designated “Series [year of issuance]A (Taxable)” and “Series [year of issuance]B (Taxable)” in an aggregate principal amount not to exceed Nineteen Million Two Hundred Fifty Thousand and 00/100 Dollars (\$19,250,000.00) (hereinafter, the “Bonds”). Competitive bidding on the sale of the Bonds is hereby waived and the Bonds are authorized to be sold on a negotiated basis to the Underwriters at an average interest rate not to exceed Three percent (3.00%) per annum, and at a price of not less than ninety-eight and three-quarters percent (98.75%) of par, both as set in the



Certificate of Determination described in Section 7 below. The Bonds shall be issued in the form and manner as provided in, and shall be delivered in accordance with, the terms and provisions of a General Bond Indenture, and a Supplemental Indenture (collectively, hereinafter, the “Indenture”), both by and between the Authority and the Trustee Bank. The Bonds shall not constitute an obligation of the City of Midwest City, Oklahoma, the State of Oklahoma or any political subdivision or agency thereof, other than the Authority, or personal obligations of the trustees of the Authority, but shall be special, limited obligations of the Authority payable solely from and secured by the Trust Estate established therefore under the Indenture.

**SECTION 6. Authorizing and Approving Execution and Delivery of the Bonds and All Documents Relating Thereto.** Subject to review and approval by counsel for the Authority, as evidenced by notation of such approval on the instruments, the following types of instruments underlying the issuance of the Bonds are hereby approved, their execution being conclusive evidence of their approval and the Chairman or Vice Chairman and Secretary or any Assistant Secretary of the Authority are authorized and directed on behalf of the Authority to execute, attest, seal and deliver or approve the same prior to or simultaneously with the delivery of the Bonds:

- (a) General Bond Indenture, by and between the Authority and the Trustee Bank;
- (b) Supplemental Bond Indenture, by and between the Authority and the Trustee Bank;
- (c) Security Agreement, by and between the Authority and the City; and
- (d) Bond Purchase Agreement, by and between the Authority and the Underwriters.

**SECTION 7. Authorizing Officers to Approve, Execute and Deliver a Certificate of Determination in Connection with the Bonds.** The Chairman or Vice-Chairman is authorized to approve, execute and deliver a Certificate of Determination setting out the principal amount of the Bonds, final maturities, sale price and interest rates, for and on behalf of the Authority, such execution and delivery by the Chairman or Vice Chairman to be binding upon the Authority.

**SECTION 8. Authorizing the Preparation, Distribution and Filing of an Official Statement.** The staff and counsel for the Authority are hereby authorized to prepare, distribute and file a preliminary and final “Official Statement” relating to the Bonds.

**SECTION 9. Authorizing Officers to Deliver the Bonds.** The Bonds shall be delivered to or upon the order of the purchasers thereof, as shall be required in writing by the Chairman or Vice-Chairman and Secretary or Assistant Secretary of the Authority, which officers are hereby authorized to execute and deliver the Bonds upon satisfaction of the conditions precedent to the delivery of the Bonds. The Bonds shall be executed in definitive or temporary forms and shall be executed in accordance with the provisions of the General Bond Indenture, the Supplemental Bond Indenture, and the Bond Purchase Agreement.

**SECTION 10. Designating and Appointing Authority Officers To Act in Connection With the Sale and Delivery of the Bonds.** The Chairman, Vice-Chairman, Secretary and Assistant Secretary of the Authority, are hereby designated and appointed to serve separately as an authorized Authority officer with respect to the Bonds, and in addition, are each specifically authorized to execute and deliver any and all documents or certificates in relation thereto.

**SECTION 11. Authorizing Officers to Take Additional Actions Relating to the Series 2017 Note(s) and the Bonds.** The Chairman, Vice-Chairman, Secretary and Assistant Secretary of the Authority are hereby further authorized and directed on behalf of the Authority to accept, receive, transfer assign, execute, seal, attest, and deliver all such other documents, instruments, certificates and other materials as are necessary or convenient in connection with the authorization, issuance, sale and delivery of the Series 2017 Note(s) and the Bonds or by any security documents and the offering materials.

**SECTION 12. Providing for an Effective Date.** This Resolution shall be in effect from and after its adoption and approval by the Trustees of the Authority.

ADOPTED AND APPROVED by the Trustees of the Midwest City Memorial Hospital Authority this 23rd day of June, 2017.

AUTHORITY

MIDWEST CITY MEMORIAL HOSPITAL

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MATTHEW D. DUKES, II, Chairman

(SEAL)  
ATTEST:

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SARA HANCOCK, Secretary

APPROVED as to form and legality this \_\_\_\_ day of June, 2017:

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PHILIP W. ANDERSON, City Attorney

SECURITY AGREEMENT

THIS SECURITY AGREEMENT, dated as of July 1, 2017 (hereinafter, the “Security Agreement”), is made and entered into by and between the MIDWEST CITY MEMORIAL HOSPITAL AUTHORITY, an Oklahoma public trust (hereinafter, the “Authority”), and the CITY OF MIDWEST CITY, OKLAHOMA, an Oklahoma municipal corporation (hereinafter, the “City”).

WITNESSETH:

WHEREAS, the Midwest City Memorial Hospital Authority (hereinafter, the “Authority”) was created by that certain “Trust Indenture”, dated as of the 1st day of July, 1961, as amended by that certain “Amended and Restated Trust Indenture”, adopted April 7, 1998, which Amended and Restated Trust Indenture was further amended by that certain “First Amendment to Amended and Restated Trust Indenture of the Midwest City Memorial Hospital Authority”, dated April 20, 2017 (the Trust Indenture and all amendments and restatements thereto are hereinafter referred to, collectively, as the “Trust Indenture”); and

WHEREAS, the City of Midwest City has accepted beneficial interest in and to the Trust Indenture, as amended and restated, for the use and benefit of the City of Midwest City (hereinafter, the “City”) under authority of and pursuant to the provisions of Title 60, Sections 176 to 180.3, inclusive, of the Oklahoma Statutes, as amended and supplemented (hereinafter, the “Public Trust Act”) and other applicable statutes of the State of Oklahoma, as a public trust and an agency of the State of Oklahoma for public purposes as therein provided; and

WHEREAS, the purposes of the Authority are, in part, to promote economic and community development, within and without the territorial limits of the City, and to promote additional employment which will benefit and strengthen the economy of the City and the State of Oklahoma; and

WHEREAS, in order to accomplish its designated purposes, the Authority is empowered to provide funds for the costs of acquiring, constructing, rehabilitating, equipping, securing, maintaining and developing real and personal property within and near the City, and to enter into, make and perform contracts for the sale of its bonds, notes or other evidence of indebtedness to finance the costs thereof; and

WHEREAS, on March 28, 2017, the City adopted and approved that certain “Project Plan Relating to Tax Increment District Number Two, City of Midwest City, Oklahoma” (hereinafter, the “Sooner Rose Project Plan”) and has created, within the boundaries set forth in the Project Plan, “Increment District Number Two, City of Midwest City, Oklahoma” (hereinafter, the “Sooner Rose Increment District”) by Ordinance No. 3291 (hereinafter, the “Ordinance”), pursuant to the Oklahoma Local Development Act, Title 62, Section 851, et seq. of the Oklahoma Statutes, as amended; and

WHEREAS, the Sooner Rose Project Plan and the Ordinance envision the generation of substantial capital investment and creation of significant new employment within the boundaries of the Sooner Rose Increment District by: (i) the development and construction of a 112,000 square foot expansion to the existing Sooner Rose Shopping Center; and (ii) the development and construction of a 50,000 square foot movie theater facility (hereinafter, collectively, the “Project Facilities”); and

WHEREAS, implementation of the Sooner Rose Project Plan will expand employment in the area, attract major investment, enhance the tax base, and make possible investment, development and economic growth which would otherwise be difficult or impossible without the apportionment of ad valorem taxes, municipal sales taxes and other forms of public assistance to the Projects; and

WHEREAS, the developers of the Project Facilities have requested that the Authority provide development financing assistance to defray the extraordinary acquisition and building development costs required to develop and construct the Project Facilities; and

WHEREAS, the developers of the Project Facilities have also requested that the Authority provide development financing assistance to defray the costs of certain stormwater drainage, street, utility and other public infrastructure improvements within or near to the Sooner Rose Increment District; and

WHEREAS, the City and the Authority have determined such development financing assistance to be in furtherance of the purposes of the Public Trust Act, the Oklahoma Local Development Act, Title 62, Sections 850 et seq. of the Oklahoma Statutes, as amended (hereinafter, the “Local Development Act”) and the Trust Indenture pursuant to which the Authority was created; and

WHEREAS, the Authority desires to issue its “Bond Anticipation Notes(s), Series 2017 (Taxable) (Sooner Rose Increment District Project)” (hereinafter, the “Series 2017 Note(s)”) and to utilize the net proceeds from such Note(s) to pay those project costs described in the Sooner Rose Project Plan; and

WHEREAS, the Authority intends to issue its “Tax Apportionment Bonds, Series [year of issuance]A (Taxable) (Sooner Rose Increment District Project)” and of its “Tax Apportionment Bonds, Series [year of issuance]B (Taxable) (Sooner Rose Increment District Project)”, in an aggregate principal amount not to exceed Nineteen Million Two Hundred Fifty Thousand and 00/100 Dollars (\$19,250,000), on the terms and conditions specified therein (hereinafter, collectively, the “Bonds”, and use the net proceeds therefrom to refund all outstanding principal and interest due on the Series 2017 Note(s) prior to its final maturity.

WHEREAS, in order to secure the payment of the Series 2017 Note(s) and the Bonds, and provide assurance that the Increment Revenues will be received by the Authority, it is necessary that this Security Agreement be entered into; and

WHEREAS, all things to be done to make this Security Agreement a valid and binding agreement by and between the Authority and the City have been done, happened and performed.

NOW, THEREFORE, IN CONSIDERATION of the mutual covenants expressed herein and the issuance of the Series 2017 Note(s) and the Bonds by the Authority and other good and valuable consideration, receipt of which is hereby acknowledged by the parties hereto, the City and the Authority agree as follows:

SECTION 1. Issuance of the Series 2017 Note(s) and the Bonds. The Authority shall issue its Series 2017 Note(s) and the Bonds and use the net proceeds thereof to provide development financing assistance to the developers in order to induce the developers to undertake the Project as described in that certain “Sooner Rose Phase II – Theatre Development Financing Assistance Agreement”, dated of April 24, 2017, by and among the City, MWC Warren Theatre, Inc., a Kansas corporation, and the Authority (hereinafter, the “Financing Assistance Agreement”), and that certain “Sooner Rose Phase II – Retail Development Financing Assistance Agreement”, dated as of April 24, 2017, by and among the Authority, Sooner Investment Group, Inc. an Oklahoma corporation, and the City.

SECTION 2. Disposition of the Increment Revenues. The City agrees: (i) to deposit the Increment Revenues, when received by the City, into a special account of the City, and (ii) to appropriate and transfer that amount of money received as Increment Revenues to the Authority, as and when received.

SECTION 3. Use of Increment Revenues by the Authority. The Authority agrees to continually ensure that the Increment Revenues received by it or on its behalf are utilized for one or more of the authorized purposes set forth in the Project Plan.

SECTION 4. Prospective and Continuing Apportionment of the Increment Revenues. It is hereby acknowledged that, Article X, Section 6C of the Oklahoma Constitution provides, in pertinent part, that: “*A direction of apportionment may be prospective and may continue for one or more years, and apportioned tax increments may be pledged beyond the current fiscal year to the repayment of indebtedness of other public entities, notwithstanding the provisions of Section 26 of Article X of the Oklahoma Constitution, or other constitutional provisions.*” Accordingly, pursuant to Article X, Section 6C of the Oklahoma Constitution, the City hereby agrees to maintain Sooner Rose Increment District in existence at least until all principal and interest on the Series 2017 Note(s) and the Bonds has been fully repaid or until Sooner Rose Increment District is otherwise terminated by operation of law. In addition, the City consents to the pledging by the Authority of the Increment Revenues derived from Sooner Rose Increment District as security for the repayment of the Series 2017 Note(s) and the Bonds.

SECTION 5. Annual Appropriation of the Increment Revenues. If it shall be determined by a court of competent jurisdiction that the City may not become obligated to transfer money beyond its current fiscal year (July 1 through June 30), then, in such event, the City’s obligation to apportion the Increment Revenues shall be on a year-to-year basis, to be renewed by the annual action of the City Council of the City for additional one year periods on July 1 of each

year until such time as the principal and interest on the Series 2017 Note(s) and the Bonds, and all other Project Costs described in the Project Plan have been paid or until Sooner Rose Increment District is otherwise terminated pursuant to Oklahoma law, whichever occurs first.

SECTION 6. Third-Party Beneficiary Contract. It is understood and agreed that this Security Agreement is a third-party beneficiary contract for the benefit of the purchasers of the Series 2017 Note(s) and the Bonds, or any trustee acting on their behalf.

SECTION 7. Effective Date. This Security Agreement shall become effective upon the issuance of the Series 2017 Note(s) and the Bonds.

IN WITNESS WHEREOF, the Authority has caused this Security Agreement to be signed by its Chairman of Trustees, attested by its Secretary of Trustees, and has caused the seal of the Authority to be impressed hereon and the City has caused this Security Agreement to be signed by its Mayor, attested by its City Clerk, and has caused the seal of the City to be impressed hereon, all as of the day and year first above written.

MIDWEST CITY MEMORIAL HOSPITAL  
AUTHORITY

(SEAL)  
ATTEST:

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MATTHEW D. DUKES, II, Chairman

---

SARA HANCOCK, Secretary

CITY OF MIDWEST CITY OKLAHOMA

(SEAL)  
ATTEST:

---

MATTHEW D. DUKES, II, Mayor

---

SARA HANCOCK, City Clerk

APPROVED as to form and legality this \_\_\_\_ day of July, 2017:

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PHILIP W. ANDERSON, City Attorney







CITY COUNCIL AGENDA

MIDWEST CITY, OK



EST 1942



## **SPECIAL CITY OF MIDWEST CITY COUNCIL MEETING AGENDA**

City Hall - Midwest City Council Chambers, 100 N. Midwest Boulevard

June 23, 2017 – 12:01 PM

To make a special assistance request, call 739-1215 or email [pmenefee@midwestcityok.org](mailto: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 ITEM.**

- 1.** Discussion and consideration of a resolution approving the issuance by the Midwest City Memorial Hospital Authority of its “Bond Anticipation Note(s), Series 2017 (Taxable) (Sooner Rose Increment District Project) (The “Series 2017 Note(s)”); waiving competitive bidding on the sale of such notes; approving the negotiated sale of the Series 2017 Note(s); approving a security agreement by and between the City of Midwest City and the Midwest City Memorial Hospital Authority; approving the issuance by the Midwest City Memorial Hospital Authority of its “Tax Apportionment Bonds, Series A (Taxable) (Sooner Rose Increment District Project)” and It’s “Tax Apportionment Bonds, Series B (Taxable) (Sooner Rose Increment District Project)” (Collectively, the “Bonds”); waiving competitive bidding on the sale of the Bonds; approving the negotiated sale of the Series 2017 Note(s); authorizing officers to take additional actions relating to the Series 2017 Notes(s) and the Bonds; and other matters relating thereto.

C. **ADJOURNMENT.**



Economic Development Department  
100 N. Midwest Boulevard  
Midwest City, OK 73110  
Office: (405) 739-1218  
[rcoleman@MidwestCityOK.org](mailto:rcoleman@MidwestCityOK.org)

## MEMORANDUM

To: Honorable Mayor and City Council Members

From: City Manager Guy Henson

Date: June 23, 2017

Subject: Discussion and consideration of a resolution approving the issuance by the Midwest City Memorial Hospital Authority of its “Bond Anticipation Note(s), Series 2017 (Taxable) (Sooner Rose Increment District Project) (The “Series 2017 Note(s)”)”; waiving competitive bidding on the sale of such notes; approving the negotiated sale of the Series 2017 Note(s); approving a security agreement by and between the City of Midwest City and the Midwest City Memorial Hospital Authority; approving the issuance by the Midwest City Memorial Hospital Authority of its “Tax Apportionment Bonds, Series A (Taxable) (Sooner Rose Increment District Project)” and It’s “Tax Apportionment Bonds, Series B (Taxable) (Sooner Rose Increment District Project)” (collectively, the “Bonds”); waiving competitive bidding on the sale of the Bonds; approving the negotiated sale of the Series 2017 Note(s); authorizing officers to take additional actions relating to the Series 2017 Notes(s) and the Bonds; and other matters relating thereto. (City Manager - G. Henson)

The City and Authority entered into an agreement with Midwest City Warren Theatre, Inc, to construct a new cinema complex as part of the second phase of the Sooner Rose Shopping Center. Section 4.1 of the agreement required the City/Authority to produce evidence on or about July 1, 2017, that adequate financing was available for the project. Our agreement with Sooner Investment, Inc, requires the same stipulations. Tax Increment Finance counselor Dan McMahan has been working with our bond advisors to formulate the attached document as evidence of our intentions.

Staff recommends approval, which requires a minimum of six (6) votes in the affirmative.

J. Guy Henson, AICP  
City Manager

**RESOLUTION NO. \_\_\_\_\_**

**A RESOLUTION APPROVING THE ISSUANCE BY THE MIDWEST CITY MEMORIAL HOSPITAL AUTHORITY OF ITS “BOND ANTICIPATION NOTE(S), SERIES 2017 (TAXABLE) (SOONER ROSE INCREMENT DISTRICT PROJECT) (THE “SERIES 2017 NOTE(S)”); WAIVING COMPETITIVE BIDDING ON THE SALE OF SUCH NOTES; APPROVING THE NEGOTIATED SALE OF THE SERIES 2017 NOTE(S); APPROVING A SECURITY AGREEMENT BY AND BETWEEN THE CITY OF MIDWEST CITY AND THE MIDWEST CITY MEMORIAL HOSPITAL AUTHORITY; APPROVING THE ISSUANCE BY THE MIDWEST CITY MEMORIAL HOSPITAL AUTHORITY OF ITS “TAX APPORTIONMENT BONDS, SERIES A (TAXABLE) (SOONER ROSE INCREMENT DISTRICT PROJECT)” AND ITS “TAX APPORTIONMENT BONDS, SERIES B (TAXABLE) (SOONER ROSE INCREMENT DISTRICT PROJECT)” (COLLECTIVELY, THE “BONDS”); WAIVING COMPETITIVE BIDDING ON THE SALE OF THE BONDS; APPROVING THE NEGOTIATED SALE OF THE SERIES 2017 NOTE(S); AUTHORIZING OFFICERS TO TAKE ADDITIONAL ACTIONS RELATING TO THE SERIES 2017 NOTE(S) AND THE BONDS; AND OTHER MATTERS RELATING THERETO.**

**WHEREAS**, the Midwest City Memorial Hospital Authority (hereinafter, the “Authority”) was created by that certain “Trust Indenture” dated as of the 1st day of July, 1961, as amended by that certain “Amended and Restated Trust Indenture”, adopted April 7, 1998, which Amended and Restated Trust Indenture was further amended by that certain “First Amendment to Amended and Restated Trust Indenture of the Midwest City Memorial Hospital Authority”, dated April 20, 2017 (the Trust Indenture and all amendments and restatements thereto are hereinafter referred to, collectively, as the “Trust Indenture”); and

**WHEREAS**, the City of Midwest City has accepted beneficial interest in and to the Trust Indenture, as amended and restated, for the use and benefit of the City of Midwest City (hereinafter, the “City”) under authority of and pursuant to the provisions of Title 60, Sections 176 to 180.3, inclusive, of the Oklahoma Statutes, as amended and supplemented (hereinafter, the “Public Trust Act”) and other applicable statutes of the State of Oklahoma, as a public trust and an agency of the State of Oklahoma for public purposes as therein provided; and

**WHEREAS**, the purposes of the Authority are, in part, to promote economic and community development, within and without the territorial limits of the City, and to promote additional employment which will benefit and strengthen the economy of the City and the State of Oklahoma; and

**WHEREAS**, in order to accomplish its designated purposes, the Authority is empowered to provide funds for the costs of acquiring, constructing, rehabilitating, equipping, securing, maintaining and developing real and personal property within and near the City, and to enter into,

make and perform contracts for the sale of its bonds, notes or other evidence of indebtedness to finance the costs thereof; and

**WHEREAS**, on March 28, 2017, the City adopted and approved that certain “Project Plan Relating to Tax Increment District Number Two, City of Midwest City, Oklahoma” (hereinafter, the “Sooner Rose Project Plan”) and has created, within the boundaries set forth in the Project Plan, “Increment District Number Two, City of Midwest City, Oklahoma” (hereinafter, the “Sooner Rose Increment District”) by Ordinance No. 3291 (hereinafter, the “Ordinance”), pursuant to the Oklahoma Local Development Act, Title 62, Section 851, et seq. of the Oklahoma Statutes, as amended; and

**WHEREAS**, the Sooner Rose Project Plan and the Ordinance envision the generation of substantial capital investment and creation of significant new employment within the boundaries of the Sooner Rose Increment District by: (i) the development and construction of a 112,000 square foot expansion to the existing Sooner Rose Shopping Center; and (ii) the development and construction of a 50,000 square foot movie theater facility (hereinafter, collectively, the “Project Facilities”); and

**WHEREAS**, implementation of the Sooner Rose Project Plan will expand employment in the area, attract major investment, enhance the tax base, and make possible investment, development and economic growth which would otherwise be difficult or impossible without the apportionment of ad valorem taxes, municipal sales taxes and other forms of public assistance to the Projects; and

**WHEREAS**, the developers of the Project Facilities have requested that the Authority provide development financing assistance to defray the extraordinary acquisition and building development costs required to develop and construct the Project Facilities; and

**WHEREAS**, the developers of the Project Facilities have also requested that the Authority provide development financing assistance to defray the costs of certain stormwater drainage, street, utility and other public infrastructure improvements within or near to the Sooner Rose Increment District; and

**WHEREAS**, the City and the Authority have determined such development financing assistance to be in furtherance of the purposes of the Public Trust Act, the Oklahoma Local Development Act, Title 62, Sections 850 et seq. of the Oklahoma Statutes, as amended (hereinafter, the “Local Development Act”) and the Trust Indenture pursuant to which the Authority was created; and

**WHEREAS**, the Authority has authorized the issuance of its “Bond Anticipation Notes(s), Series 2017 (Taxable) (Sooner Rose Increment District Project)” (hereinafter, the “Series 2017 Note(s)”) and the use of the net proceeds from such Note(s) to pay those project costs described in the Sooner Rose Project Plan;

**WHEREAS**, the Authority has also authorized the issuance of its “Tax Apportionment Bonds, Series A (Taxable) (Sooner Rose Increment District Project)” and its “Tax Apportionment

Bonds, Series B (Taxable) (Sooner Rose Increment District Project)”, pursuant to the provisions of the Public Trust Act, the Local Development Act, and other applicable provisions of Oklahoma law; and

**WHEREAS**, Oklahoma law currently requires that all bond or note issues of public trusts must have the creation of indebtedness by said public trust approved by two-thirds (2/3’s) of the governing body of its beneficiary; and competitive bidding on the sale of bonds or notes may be waived by three-fourths (3/4’s) of the governing body of the beneficiary.

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF MIDWEST CITY, OKLAHOMA, TO-WIT:**

**SECTION 1. Approving the Issuance of Indebtedness by the Midwest City Memorial Hospital Authority of Its “Bond Anticipation Note(s), Series 2017 (Taxable) (Sooner Rose Increment District Project)” (the “Series 2017 Note(s)”); Approving the Waiving of Competitive Bidding; Approving the Negotiated Sale of the Series 2017 Note(s).** The City Council of the City of Midwest City, Oklahoma hereby approves the issuance of the “Midwest City Memorial Hospital Authority Bond Anticipation Note(s), Series 2017 (Taxable) (Sooner Rose Increment District Project)”, in an amount not to exceed Seventeen Million Dollars (\$17,000,000), on the terms and conditions specified therein. Competitive bidding on the sale of the Series 2017 Note(s) is hereby expressly waived, pursuant to the provisions of the Public Trust Act, and the negotiated sale of the Series 2017 Note(s) at a price not less than ninety-nine and one-half percent (99.50%) of par is hereby approved.

**SECTION 2. Approving the Terms and Conditions of the Security Agreement.** The terms and conditions of that certain “Security Agreement”, dated as of July 1, 2017, by and between the Authority and the City, are hereby approved in substantially the same form as presented at this meeting with such additions, omissions and changes as may be approved by the persons executing the same, their execution being conclusive evidence of their approval of any such additions, omission and changes, and the Mayor and City Clerk are authorized and directed on behalf of the Authority to execute, attest, seal and deliver or approve the same prior to or simultaneously with the delivery of the Series 2017 Note(s).

**SECTION 3. Approving the Issuance of Indebtedness by the Midwest City Memorial Hospital Authority of Its “Tax Apportionment Bonds, Series A (Taxable) (Sooner Rose Increment District Project)” and Its “Tax Apportionment Bonds, Series B (Taxable) (Sooner Rose Increment District Project)” (collectively, the “Bonds”); Waiving Competitive Bidding on the Sale of the Bonds; Approving the Negotiated Sale of the Bonds.** The City Council of the City of Midwest City, Oklahoma hereby approves the issuance by the Midwest City Memorial Hospital Authority of its “Tax Apportionment Bonds, Series [year of issuance]A (Taxable) (Sooner Rose Increment District Project)” and of its “Tax Apportionment Bonds, Series [year of issuance]B (Taxable) (Sooner Rose Increment District Project)”, in an aggregate principal amount not to exceed Nineteen Million Two Hundred Fifty Thousand and 00/100 Dollars (\$19,250,000), on the terms and conditions specified therein (hereinafter, collectively, the “Bonds”). Competitive bidding on the sale of the Bonds is hereby expressly waived, pursuant to the provisions of the Public Trust Act, and the sale of the Bonds on a negotiated

basis to Wells, Nelson & Associates, LLC and D.A. Davidson & Co., at a price of not less than ninety-eight and three-quarters percent (98.75%) of par is hereby approved.

**SECTION 4. Authorizing Officers to Take Additional Actions Relating to the Series 2017 Note(s) and the Bonds.** The Mayor and City Clerk are hereby authorized and directed to execute and deliver such documents and take such other action as may be necessary or appropriate in order to effectuate the execution and delivery of the Series 2017 Note(s) and the Bonds, including specifically, but not limited to, the Security Agreement and any other letter, representation or certification otherwise necessary and attendant to the delivery of the Series 2017 Note(s) and the Bonds.

PASSED by the City Council of the City of MIDWEST CITY, Oklahoma this 23rd day of June, 2017.

CITY COUNCIL OF THE CITY OF  
MIDWEST CITY OKLAHOMA

\_\_\_\_\_  
MATTHEW D. DUKES, II, Mayor

(SEAL)  
ATTEST:

\_\_\_\_\_  
SARA HANCOCK, City Clerk

APPROVED as to form and legality this \_\_\_\_ day of June, 2017:

\_\_\_\_\_  
PHILIP W. ANDERSON, City Attorney

SECURITY AGREEMENT

THIS SECURITY AGREEMENT, dated as of July 1, 2017 (hereinafter, the “Security Agreement”), is made and entered into by and between the MIDWEST CITY MEMORIAL HOSPITAL AUTHORITY, an Oklahoma public trust (hereinafter, the “Authority”), and the CITY OF MIDWEST CITY, OKLAHOMA, an Oklahoma municipal corporation (hereinafter, the “City”).

WITNESSETH:

WHEREAS, the Midwest City Memorial Hospital Authority (hereinafter, the “Authority”) was created by that certain “Trust Indenture”, dated as of the 1st day of July, 1961, as amended by that certain “Amended and Restated Trust Indenture”, adopted April 7, 1998, which Amended and Restated Trust Indenture was further amended by that certain “First Amendment to Amended and Restated Trust Indenture of the Midwest City Memorial Hospital Authority”, dated April 20, 2017 (the Trust Indenture and all amendments and restatements thereto are hereinafter referred to, collectively, as the “Trust Indenture”); and

WHEREAS, the City of Midwest City has accepted beneficial interest in and to the Trust Indenture, as amended and restated, for the use and benefit of the City of Midwest City (hereinafter, the “City”) under authority of and pursuant to the provisions of Title 60, Sections 176 to 180.3, inclusive, of the Oklahoma Statutes, as amended and supplemented (hereinafter, the “Public Trust Act”) and other applicable statutes of the State of Oklahoma, as a public trust and an agency of the State of Oklahoma for public purposes as therein provided; and

WHEREAS, the purposes of the Authority are, in part, to promote economic and community development, within and without the territorial limits of the City, and to promote additional employment which will benefit and strengthen the economy of the City and the State of Oklahoma; and

WHEREAS, in order to accomplish its designated purposes, the Authority is empowered to provide funds for the costs of acquiring, constructing, rehabilitating, equipping, securing, maintaining and developing real and personal property within and near the City, and to enter into, make and perform contracts for the sale of its bonds, notes or other evidence of indebtedness to finance the costs thereof; and

WHEREAS, on March 28, 2017, the City adopted and approved that certain “Project Plan Relating to Tax Increment District Number Two, City of Midwest City, Oklahoma” (hereinafter, the “Sooner Rose Project Plan”) and has created, within the boundaries set forth in the Project Plan, “Increment District Number Two, City of Midwest City, Oklahoma” (hereinafter, the “Sooner Rose Increment District”) by Ordinance No. 3291 (hereinafter, the “Ordinance”), pursuant to the Oklahoma Local Development Act, Title 62, Section 851, et seq. of the Oklahoma Statutes, as amended; and



WHEREAS, the Sooner Rose Project Plan and the Ordinance envision the generation of substantial capital investment and creation of significant new employment within the boundaries of the Sooner Rose Increment District by: (i) the development and construction of a 112,000 square foot expansion to the existing Sooner Rose Shopping Center; and (ii) the development and construction of a 50,000 square foot movie theater facility (hereinafter, collectively, the “Project Facilities”); and

WHEREAS, implementation of the Sooner Rose Project Plan will expand employment in the area, attract major investment, enhance the tax base, and make possible investment, development and economic growth which would otherwise be difficult or impossible without the apportionment of ad valorem taxes, municipal sales taxes and other forms of public assistance to the Projects; and

WHEREAS, the developers of the Project Facilities have requested that the Authority provide development financing assistance to defray the extraordinary acquisition and building development costs required to develop and construct the Project Facilities; and

WHEREAS, the developers of the Project Facilities have also requested that the Authority provide development financing assistance to defray the costs of certain stormwater drainage, street, utility and other public infrastructure improvements within or near to the Sooner Rose Increment District; and

WHEREAS, the City and the Authority have determined such development financing assistance to be in furtherance of the purposes of the Public Trust Act, the Oklahoma Local Development Act, Title 62, Sections 850 et seq. of the Oklahoma Statutes, as amended (hereinafter, the “Local Development Act”) and the Trust Indenture pursuant to which the Authority was created; and

WHEREAS, the Authority desires to issue its “Bond Anticipation Notes(s), Series 2017 (Taxable) (Sooner Rose Increment District Project)” (hereinafter, the “Series 2017 Note(s)”) and to utilize the net proceeds from such Note(s) to pay those project costs described in the Sooner Rose Project Plan; and

WHEREAS, the Authority intends to issue its “Tax Apportionment Bonds, Series [year of issuance]A (Taxable) (Sooner Rose Increment District Project)” and of its “Tax Apportionment Bonds, Series [year of issuance]B (Taxable) (Sooner Rose Increment District Project)”, in an aggregate principal amount not to exceed Nineteen Million Two Hundred Fifty Thousand and 00/100 Dollars (\$19,250,000), on the terms and conditions specified therein (hereinafter, collectively, the “Bonds”, and use the net proceeds therefrom to refund all outstanding principal and interest due on the Series 2017 Note(s) prior to its final maturity.

WHEREAS, in order to secure the payment of the Series 2017 Note(s) and the Bonds, and provide assurance that the Increment Revenues will be received by the Authority, it is necessary that this Security Agreement be entered into; and

WHEREAS, all things to be done to make this Security Agreement a valid and binding agreement by and between the Authority and the City have been done, happened and performed.

NOW, THEREFORE, IN CONSIDERATION of the mutual covenants expressed herein and the issuance of the Series 2017 Note(s) and the Bonds by the Authority and other good and valuable consideration, receipt of which is hereby acknowledged by the parties hereto, the City and the Authority agree as follows:

SECTION 1. Issuance of the Series 2017 Note(s) and the Bonds. The Authority shall issue its Series 2017 Note(s) and the Bonds and use the net proceeds thereof to provide development financing assistance to the developers in order to induce the developers to undertake the Project as described in that certain “Sooner Rose Phase II – Theatre Development Financing Assistance Agreement”, dated of April 24, 2017, by and among the City, MWC Warren Theatre, Inc., a Kansas corporation, and the Authority (hereinafter, the “Financing Assistance Agreement”), and that certain “Sooner Rose Phase II – Retail Development Financing Assistance Agreement”, dated as of April 24, 2017, by and among the Authority, Sooner Investment Group, Inc. an Oklahoma corporation, and the City.

SECTION 2. Disposition of the Increment Revenues. The City agrees: (i) to deposit the Increment Revenues, when received by the City, into a special account of the City, and (ii) to appropriate and transfer that amount of money received as Increment Revenues to the Authority, as and when received.

SECTION 3. Use of Increment Revenues by the Authority. The Authority agrees to continually ensure that the Increment Revenues received by it or on its behalf are utilized for one or more of the authorized purposes set forth in the Project Plan.

SECTION 4. Prospective and Continuing Apportionment of the Increment Revenues. It is hereby acknowledged that, Article X, Section 6C of the Oklahoma Constitution provides, in pertinent part, that: “*A direction of apportionment may be prospective and may continue for one or more years, and apportioned tax increments may be pledged beyond the current fiscal year to the repayment of indebtedness of other public entities, notwithstanding the provisions of Section 26 of Article X of the Oklahoma Constitution, or other constitutional provisions.*” Accordingly, pursuant to Article X, Section 6C of the Oklahoma Constitution, the City hereby agrees to maintain Sooner Rose Increment District in existence at least until all principal and interest on the Series 2017 Note(s) and the Bonds has been fully repaid or until Sooner Rose Increment District is otherwise terminated by operation of law. In addition, the City consents to the pledging by the Authority of the Increment Revenues derived from Sooner Rose Increment District as security for the repayment of the Series 2017 Note(s) and the Bonds.

SECTION 5. Annual Appropriation of the Increment Revenues. If it shall be determined by a court of competent jurisdiction that the City may not become obligated to transfer money beyond its current fiscal year (July 1 through June 30), then, in such event, the City’s obligation to apportion the Increment Revenues shall be on a year-to-year basis, to be renewed by the annual action of the City Council of the City for additional one year periods on July 1 of each

year until such time as the principal and interest on the Series 2017 Note(s) and the Bonds, and all other Project Costs described in the Project Plan have been paid or until Sooner Rose Increment District is otherwise terminated pursuant to Oklahoma law, whichever occurs first.

SECTION 6. Third-Party Beneficiary Contract. It is understood and agreed that this Security Agreement is a third-party beneficiary contract for the benefit of the purchasers of the Series 2017 Note(s) and the Bonds, or any trustee acting on their behalf.

SECTION 7. Effective Date. This Security Agreement shall become effective upon the issuance of the Series 2017 Note(s) and the Bonds.

IN WITNESS WHEREOF, the Authority has caused this Security Agreement to be signed by its Chairman of Trustees, attested by its Secretary of Trustees, and has caused the seal of the Authority to be impressed hereon and the City has caused this Security Agreement to be signed by its Mayor, attested by its City Clerk, and has caused the seal of the City to be impressed hereon, all as of the day and year first above written.

MIDWEST CITY MEMORIAL HOSPITAL  
AUTHORITY

(SEAL)  
ATTEST:

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MATTHEW D. DUKES, II, Chairman

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SARA HANCOCK, Secretary

CITY OF MIDWEST CITY OKLAHOMA

(SEAL)  
ATTEST:

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MATTHEW D. DUKES, II, Mayor

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SARA HANCOCK, City Clerk

APPROVED as to form and legality this \_\_\_\_ day of July, 2017:

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PHILIP W. ANDERSON, City Attorney

ACKNOWLEDGEMENTS

STATE OF OKLAHOMA )  
 ) SS:  
COUNTY OF OKLAHOMA )

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 2017, by \_\_\_\_\_, Chairman of the Midwest City Memorial Hospital Authority, a public trust, on behalf of the Trust.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal the day and year first above written.

(SEAL)  
My Commission Expires\_\_\_\_\_

\_\_\_\_\_  
Notary Public

STATE OF OKLAHOMA )  
 ) SS:  
COUNTY OF OKLAHOMA )

BEFORE ME, a notary public in and for said county and state, on this \_\_\_\_ day of \_\_\_\_\_, 2017, personally appeared \_\_\_\_\_, to me known to be the Mayor of the City of Midwest City, Oklahoma, who subscribed the name of said City to the foregoing instrument as such officer and acknowledged to me that said person executed the same as said person's free and voluntary act and deed, and as the free and voluntary act and deed of said City, for the uses and purposes therein set forth.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal the day and year first above written.

(SEAL)  
My Commission expires\_\_\_\_\_

\_\_\_\_\_  
Notary Public