

LOAN AGREEMENT

This Agreement made this 23RD day of May 2023, between **THE CITY OF OKLAHOMA CITY**, an Oklahoma municipal corporation (hereinafter "Lender" or "The City"), and **JRB CITIZEN LLC**, an Oklahoma limited liability company (hereinafter referred to as "Borrower").

The Planning Department ("Planning") of Lender is responsible for the receipt and disbursement of Funds made available to The City by The U.S. Department of Housing and Urban Development (HUD) pursuant to the Housing and Community Development Act of 1974, and the Lender seeks to maximize the use of such monies to accomplish the recovery of the area affected by the bombing of the Alfred P. Murrah Federal Building in April, 1995.

Definitions

Unless specifically provided otherwise or the context otherwise requires, when used in the Loan Agreement:

- (1) "Act" means the Housing and Community Development Act of 1974, Pub. L. No. 93-383 codified as 42 U.S.C. §5301 et seq., as amended, and regulations promulgated thereunder.
- (2) "Borrower" means JRB CITIZEN LLC, an Oklahoma limited liability company, the owner of lots and structure to be constructed within the Murrah Revitalization Area, with the assistance of an economic development loan.
- (3) "HUD" means the United States Department of Housing and Urban Development.
- (4) "Lender's Program" means the Supplemental Community Development Block Grant Program for economic development activity approved by the City Council.
- (5) "Loan Documents" means this Loan Agreement, Promissory Note, Personal Guaranty, Intercreditor Servicing Agreement, and Mortgage.
- (6) "Loan Funds", "Loan" or "Funds" means those Supplemental Community Development Block Grant (CDBG) funds provided to The City by HUD pursuant to the Act for the purpose of providing financial assistance to bomb damaged businesses and property owners and for other economic recovery activities.
- (7) "Project" means the construction of a commercial office structure within the Murrah Revitalization Area.
- (8) "Project Site" means the location of the Project at the northeast corner of NW 5th Street and Robinson Avenue, Oklahoma City, Oklahoma, more particularly described as follows:

Lot 1 in Block 1, of The Citizen, an addition to Oklahoma City, Oklahoma County, Oklahoma, according to the recorded plat recorded in Book 82 of Plats, Page 9.

- (9) "Promissory Note" or "Note" means the promissory note from Borrower to Lender evidencing the Loan.
- (10) "Mortgage" means the mortgage executed by Borrower in favor of Lender, of even date herewith, as security for repayment of this Loan.
- (11) "Revitalization Area" means the area bounded by 13th Street on the North, Robert S. Kerr on the South, Oklahoma Avenue on the East and Shartel Avenue on the West.
- (12) "Secretary" means the Secretary of Housing and Urban Development, or any other official of HUD to whom the Secretary has delegated authority pursuant to the Act.

RECITALS

WHEREAS, Borrower has applied to Lender for a loan in the principal sum of SEVEN HUNDRED FIFTY THOUSAND and 0/100 DOLLARS (\$750,000.00) of Funds, and Lender has agreed to make a loan of such Funds, upon the terms and conditions set forth below; and

WHEREAS, the purpose of this Loan is to provide working capital for the construction of a new commercial building located at the northeast corner of NW 5th Street and Robinson Avenue, in Oklahoma City, OK, to include 154,000 square feet of Class-A office space, retail, restaurant, and hospitality space in support of job creation, and to enhance economic development in the recovery area; and

WHEREAS, development of the Project will provide other public benefits in addition to economic recovery; and

WHEREAS, Lender has agreed to provide Loan Funds to Borrower for the Project; and

WHEREAS, the Loan shall be evidenced by the Loan Documents; and

WHEREAS, Lender is willing to make the Loan to Borrower exclusively for the purposes and upon the terms and conditions hereinabove set forth, and

WHEREAS, Lender makes no commitment to future support and assumes no obligation for future support of the activities contracted for herein, except as expressly set forth in this Agreement.

NOW, THEREFORE, in consideration of the foregoing Recitals and the terms, covenants and conditions, representations and warranties contained herein, the parties hereto agree as follows:

ARTICLE I THE LOAN

1.1 The Loan. In reliance upon Borrower's representations and warranties, and subject to the terms and conditions herein, Lender hereby agrees to make a Loan to Borrower in the sum of SEVEN HUNDRED FIFTY THOUSAND and 0/100 DOLLARS (\$750,000.00), exclusively for the purposes set forth herein, which funds shall be received by the Lender from HUD for use in the Supplemental Community Development Block Grant Program (the "Lender's Program") and from no other source. Borrower shall have the right to receive Loan Funds from Lender only pursuant to the terms and conditions of this Agreement and in accordance with the Act, and then only to the extent Funds are made available to the Lender by HUD. Should anticipated sources of Loan Funds become unavailable to the Lender for use in the Lender's Program, the Lender shall, within a reasonable time not to exceed fifteen (15) working days from Lender's receipt of notice of such unavailability of funds, notify Borrower in writing at the address in Section 7.2 below; and Borrower and Lender shall be released from all liability under this Loan Agreement.

1.2 Loan Documentation. The Loan will be evidenced by this Loan Agreement, the Promissory Note, Personal Guaranty, Intercreditor Servicing Agreement, and the Mortgage.

1.3 Terms. Absent an Event of Default, the term of this Loan Agreement and the Promissory Note shall be for a period of fifteen (15) years from the date the first interest-only payment is due, pursuant to this Agreement and the Promissory Note. The interest rate specified for The City's Loan shall be fixed at three-eighths of one percent (.375%) per annum; and the term thereof shall be for a period of approximately fifteen (15) years. All payments of The City's Loan shall be paid by the Borrower directly to BancFirst as loan servicer. Payments of accrued and unpaid interest shall begin on the 1st day of the month following the first full month after the first advance of Loan proceeds is made to Borrower, and shall be made on the 1st day of each month thereafter for a period of twelve (12) months. Fully amortized payments of principal and interest shall begin on the 1st day of the thirteenth month following the first full month after the first advance of Loan proceeds is made to Borrower, with equal monthly payments of *Four Thousand Five Hundred Eighty Three and 20/100 Dollars (\$4,583.20)* due on the 1st day of each month thereafter for *fourteen (14) years*, until paid in full, or not later than December 31, 2038, whichever shall sooner occur. All payments shall be applied first to payment of accrued interest and the remainder to the reduction of principal.

1.4 Demand. Lender may demand repayment of the Loan upon the occurrence of an Event of Default hereunder, as set forth in Article VI hereof. Borrower may prepay the Loan, in whole or in part, at any time and from time to time without penalty.

1.5 Closing Date. The Closing Date of this Agreement shall be May 23, 2023.

ARTICLE II BORROWER'S REPRESENTATIONS AND WARRANTIES

In order to induce the Lender to make the Loan, Borrower represents and warrants (which representations and warranties shall be true and correct as of the execution hereof and shall survive the execution and delivery of this Loan Agreement) as follows:

2.1 Organization of Borrower, Authority to Enter into Agreement. Borrower is a limited liability company that has the right and power to lease, occupy, or develop the Project Site, and to develop the Project, and Borrower has full power and authority to enter into this Agreement. The execution, delivery and performance of this Agreement requires no other action than the consent of Borrower to borrow the Funds, and no other authorization by Borrower is required for the execution, delivery and performance of this Agreement.

2.2 No Litigation. As of the date of execution of this Agreement, there are no actions, suits or proceedings pending, or to the knowledge of Borrower, threatened against or affecting it, its controlling managers or members, or the Project, in any court at law or in equity, or before or by any governmental or municipal authority, which might have a materially adverse effect on the ability of Borrower to perform its obligations hereunder.

2.3 Compliance With Documents. As of the date hereof, and for so long as this Agreement remains in effect, Borrower is and shall remain in full compliance with all of the terms and conditions of the Loan Documents, and no Event of Default has or shall have occurred and be continuing, which, with the lapse of time for the giving of notice, or both, would constitute such an Event of Default under the foregoing.

2.4 Incorporation of Representations and Warranties. The request by Borrower for any advance of Loan proceeds under the Loan Documents shall constitute a certification by Borrower that the aforesaid representations and warranties are true and correct as of the date of such request.

ARTICLE III CONDITIONS PRECEDENT TO LOAN CLOSING

The Lender's obligation to enter into and perform its duties under the Loan Documents shall be subject to the full and complete satisfaction of the following conditions precedent:

3.1 Documents. Lender shall have received and approved fully executed originals of the Loan Documents, which shall have been duly authorized, executed and delivered by Borrower. The disbursement of funds for the Loan shall be conditioned on Borrower providing paid invoices for construction work on the property, located at the northeast corner of NW 5th Street and Robinson Avenue. Invoices shall not be submitted for work performed prior to the Environmental

Review, which was completed on April 11, 2023. Under the terms of an Intercreditor Servicing and Subordination Agreement between BancFirst (the "Bank") and the City of even date herewith, the City will remit all Loan funds in the amount of \$750,000.00 on the Borrower's behalf to the Bank within fifteen (15) business days after Lender's receipt of a signed request for disbursement from the Borrower and paid invoices for the amount for which reimbursement is requested. The Bank will disburse the City's Loan funds to Borrower within five (5) business days after Bank's receipt of such funds from Lender, and prior to advancing the construction loan financing. The Loan approval shall expire and the unpaid principal balance shall become immediately due and payable, if occupancy conditions set forth in Section 5.3 herein are not met.

3.2 Evidence of Authority. Lender shall, upon written request, receive evidence satisfactory to it that Borrower and the persons signing on behalf of Borrower have the capacity and authority to execute and deliver the Loan Documents on behalf of Borrower.

3.3 Insurance. Borrower shall, for so long as the Loan Documents remain in effect, at its cost and expense, carry and maintain general public liability insurance against claims for bodily injury, personal injury, death and property damage occurring or arising out of the Project Site, which insurance shall cover such claims as may be occasioned by any act, omission, or negligence of Borrower or its officers, agents, representatives, assigns or servants relating to the Project. The limits of liability insurance, which may be required to be increased from time to time as deemed necessary by Lender, which shall not be unreasonably withheld, shall be not less than One Million Dollars (\$1,000,000.00) combined single limit personal injury and property damage insurance. The insurance required above shall be issued by an insurance company or companies authorized to do business within the State of Oklahoma or by such other similar insurance coverage approved by the Insurance Commissioner of the State of Oklahoma. Lender shall be specifically named as an additional insured on all such policies, and any such policy or policies shall be primary to any other valid and collectible insurance. Borrower shall secure insurance in an amount at least equal to the amount of all outstanding mortgages against the subject Project Site, and shall name Lender as an additional insured party.

3.4 Title Insurance. Borrower shall furnish Lender, at Borrower's cost and expense, with an ALTA Loan Policy of title insurance in the sum of SEVEN HUNDRED FIFTY THOUSAND and 0/100 DOLLARS (\$750,000.00) showing that Borrower has marketable title in fee simple to the Project Site and that the Mortgage in favor of the Lender is a valid lien on the Project Site. The lien of the Mortgage in favor of Lender will be subordinate to the lien of the Mortgage in favor of BancFirst (which secures a loan to Borrower in the principal amount of \$42,750,000.00), but will be superior to the lien of the mortgage in favor of the Oklahoma City Industrial and Cultural Facilities Trust (which secures a loan to Borrower in the principal amount of \$1,275,000.00).

ARTICLE IV CONDITIONS PRECEDENT TO LOAN DISBURSAL

4.1 Conditions Precedent to Disbursal of Loan Funds. Lender's obligation to make the disbursal of Loan Funds pursuant to the terms hereof shall, in addition to compliance with the terms of Article III hereof, be subject to receipt of the following documents and satisfaction of the following conditions precedent:

- (1) Lender shall have received from HUD and have in its possession, sufficient Funds to fund the disbursal request of Borrower; and
- (2) All applicable federal requirements have been met.

4.2 Borrower's Disbursal Requests. Borrower acknowledges that it has no right to the Loan proceeds other than to have them disbursed by the Lender in accordance with the terms of this Loan Agreement and in accordance with the Act, and then only to the extent Lender has received Funds from HUD.

ARTICLE V BORROWER'S LOAN COVENANTS

Throughout the term of this Agreement, Borrower covenants and agrees as follows:

5.1 General. From and after the date hereof, and for so long as any commitment exists hereunder, Borrower covenants and agrees that it will:

- (1) Establish and operate the Project on the Project site; and
- (2) Preserve and keep in full force and effect Borrower's existence as a limited liability company, and will not transfer the Project or the Project Site or assign its obligations under the Loan to a party that is not an affiliate of Borrower, without the prior written consent of Lender; and
- (3) Obtain and maintain the insurance required herein.

5.2 Payment of Obligations. Borrower shall pay all indebtedness, taxes and other obligations pertaining to the Project or Project Site for which it is liable before they shall become delinquent; provided, however, that Borrower shall have the right to pay any such indebtedness, taxes and other obligations under protest, or to otherwise contest any such indebtedness, taxes and other obligations but only if (i) such contest has the effect of preventing the collection of such indebtedness, taxes and other obligations so contested and also prevents the sale or forfeiture of the Project Site or any part thereof or any interest therein, (ii) Borrower has notified Lender in writing, in advance, of its intent to contest such indebtedness, taxes and other obligations, and (iii) Borrower has deposited security to support the collection amount in form and amount satisfactory to Lender, in its sole judgment, and increases the amount of such security so deposited promptly

after Lender's request therefor.

5.3 Timely Occupancy. This loan is conditioned on timely project completion and lease-up, creation of full-time jobs, and supporting on-going economic development in the eligible lending area, as envisioned by the Murrah Loan authorizing statute. Borrower acknowledges this condition and agrees that 75% occupancy in this building shall be achieved no later than 36 months after the final Certificate of Occupancy has been issued.

5.4 Changes to Project. Other than the contemplated rehabilitation, there shall be no material change to the Project without the prior written approval of Lender, and, to the extent that such approvals may be required, the appropriate governmental authorities.

5.5 Compliance with Laws. All work performed in connection with Borrower's development of the Project Site and Borrower's use of the proceeds of the Loan shall comply with provisions of the Act that are applicable to Borrower and all other applicable laws, ordinances, rules and regulations of federal, state, county or municipal governments or agencies.

5.6 Inspections. Lender and the U.S. Department of Housing and Urban Development or their representatives shall have the right, at all reasonable times during regular business hours (and at any time in the event of an emergency), to enter upon the Project Site and inspect the Project Site to determine that the same is in conformity with this Loan Agreement and all laws, ordinances, rules and regulations applicable to Borrower's use of the Loan Funds. Lender and the HUD, or their representatives shall have the further right, from time to time, to inspect Borrower's books and records relating to Borrower's use of the Loan Funds. Without limiting the foregoing, Borrower shall permit Lender and/or U.S. HUD representatives to examine and copy all books, records and other papers relating to Borrower's use of the Loan Funds to ensure Borrower's compliance with provisions of the Act that are applicable to Borrower and provisions of 24 CFR Part 570.502(7)(ii)(C).

5.7 Notification to Lender of Litigation or Complaints. Borrower shall immediately notify Lender in writing, of all material proceedings, litigations or claims which may adversely affect Borrower's rights hereunder or any part of the Project or Project Site, and of all material complaints or charges made by any governmental authority affecting Borrower, the Project, or the Project Site which may require material changes in the development of the Project.

5.8 Indemnification of Lender. Borrower shall indemnify and hold Lender, its elected and appointed officials and any employees thereof, harmless from all claims and actions of any person or entity which results in damages or injury incurred by Lender of whatsoever nature; or damages, claims or actions due to Lender's negligence or Lender's breach of this Loan Agreement) caused by any acts or omissions of Borrower and arising out of or in any way connected with this Loan Agreement, the Project Site and or the development of the Project or arising out of Borrower's breach of the provisions of this Loan Agreement, including the cost and defense thereof using

counsel approved by Lender. Notwithstanding anything contained herein to the contrary, the foregoing indemnification given by Borrower to Lender shall not be effective or enforceable against Borrower unless Lender gives Borrower written notice of any such claims or actions of said person or entity made against the Lender within twenty (20) working days of Lender's knowledge of such claims or actions, and Lender does not commence or enter into any settlements or negotiations of settlement with any person or entity relating to the matters covered by Borrower's indemnification without Borrower's prior written consent. If Borrower fails to defend or perform its obligations under this indemnification within twenty (20) days after written request by Lender, Lender may settle, commence, or defend any action or proceeding purporting to affect the rights, duties or liabilities of the parties to the Loan Documents, or the Project Site or the Project and Borrower shall pay all of Lender's costs and expenses incurred thereby on demand. This Section shall survive execution, delivery and performance of the Loan Documents.

5.9 Further Assistance. Borrower shall at any time, and from time to time upon request of Lender, take or cause to be taken any action or execute, acknowledge, deliver or record any further documents, opinions, or other instruments which Lender is required to do or obtain by HUD or by any other federal, state or county regulatory agency or which Lender reasonably deems are required to carry out the intent of Lender and Borrower under the Loan Documents.

5.10 Upon failure of Borrower to comply with any of the foregoing Loan Covenants, and Borrower's failure to cure such noncompliance within any applicable notice and cure periods, Lender may declare an Event of Default hereunder and exercise its rights and remedies pursuant to Article VI of this Agreement.

ARTICLE VI DEFAULT AND REMEDIES

6.1 Event of Default. The occurrence of any of the following events and failure to cure such occurrence within stated periods shall constitute an Event of Default ("Event of Default") hereunder:

- (1) Any breach by Borrower of any of the covenants and conditions of the Loan Documents, which breach is not cured by Borrower to Lender's reasonable satisfaction within twenty (20) days from the receipt of written notice thereof; provided, however, that in the event of a breach or default by Borrower which is outside of the control of Borrower and which cannot be cured within said twenty (20) days, Borrower shall have commenced to cure its breach or default within said twenty (20) days and thereafter diligently proceed to cure its breach or default; or
- (2) Any written representation, warranty or disclosure made to Lender by Borrower that proves to be materially false or misleading as of the date when made, including but not limited to loan financing commitments, project costs, architectural design, financing needs, use of materials, pre-lease contracts, cashflow analysis, and/or

- other related factors used by the City to underwrite and score the project. . whether or not such representation or disclosure appears in this Loan Agreement; or
- (3) Any material deviation in the construction of the Project Site without the prior written approval of Lender, which deviation is not corrected or substantially corrected within twenty (20) days after receipt of written notice thereof from Lender to Borrower; or
 - (4) Failure of Borrower to complete construction, and to reach 75% occupancy in the manner required by Section 5.3 above; or
 - (5) Failure by Borrower to defend, indemnify and/or hold harmless Lender pursuant to Section 5.8 to this Loan Agreement.

6.2 Notwithstanding anything to the contrary contained herein, any violation by Borrower of provisions of the Act that are applicable to Borrower or any other laws, ordinances, rules or regulations applicable to the Project or Project Site or Borrower's use of the Loan Funds that is not cured by Borrower by the applicable cure period, or if no cure period exists, within twenty (20) days following written notice of violation, shall, without further notice or demand, immediately constitute an Event of Default hereunder.

6.3 Remedies. Upon the occurrence of any Event of Default not timely cured as provided herein, Lender may unilaterally terminate this Loan Agreement, and pursue any and all remedies available.

ARTICLE VII MISCELLANEOUS

7.1 Successors and Assigns. This Loan Agreement is made and entered into for the sole protection and benefit of Lender and Borrower, their successors and assigns, and no other person or persons shall have any right of action hereunder. The terms hereof shall inure to the benefit of the successors and assigns of the parties hereto; provided, however, that Borrower's interest hereunder cannot be assigned or otherwise transferred without the prior written consent of the Lender.

7.2 Notices. Any notice, demand or request required under the Loan Document shall be given in writing at the addresses set forth below by personal service or registered or certified first class mail, return receipt requested. The addresses may be changed by notice to the other party given in the same manner as provided above. If notice is given by mail, it shall be deemed received on the earlier of: (a) receipt as shown on the return receipt, or (b) three (3) business days after its deposit in the U.S. mail.

To Borrower: JRB Citizen LLC
Attn: S. Bond Payne
621 N. Robinson Ave., Suite 100
Oklahoma City, OK 73102

To The City: The City of Oklahoma City
Planning Department
Attn: Community Development Director
420 West Main, Suite 920
Oklahoma City, OK 73102

And To: The City of Oklahoma City
Office of the City Clerk
200 N. Walker Avenue, 2nd Floor
Oklahoma City, OK 73102

7.3 Time. Time is of the essence of the Loan Documents.

7.4 Amendments. No amendment, modification, or termination of any provisions of any of the Loan Documents shall in any event be effective unless the same shall be in writing and signed by parties hereto.

7.5 Headings. The article and section headings in this Loan Agreement in no way define, limit, extend or interpret the scope of the Loan Documents or of any particular article or section thereof.

7.6 Validity. The provisions of this Loan Agreement are severable, and if any word, sentence, clause, phrase, or other portion of this Loan Agreement is, for any reason, held invalid by any court of competent jurisdiction, such portion shall be deemed a separate, distinct and independent provision, and such holding shall not affect the validity of the remaining portions of this Loan Agreement.

7.7 Governing Law. This Loan Agreement shall be governed by and construed in accordance with the laws of the State of Oklahoma, except to the extent federal law applies.

7.8 Survival of Warranties. All agreements, representations and warranties made herein survive the execution and delivery of the Loan Documents, and the making of the Loan hereunder, and continue in full force and effect until the obligations of the Borrower under the Loan Documents and the indebtedness evidenced by the Promissory Note have been fully paid and satisfied.

7.9 Venue and Forum. In the event that any legal action should be filed by either party

against the other, the venue and forum for such action shall be the District Court of Oklahoma County, Oklahoma City, Oklahoma.

7.10 Conflict of Interest. No member, official or employee of Lender shall have any personal interest, direct or indirect, in the subject matter of this Loan Agreement, nor shall any such member, official or employee participate in any decision relating to this Loan Agreement which affects his personal interests or the interests of any corporation, partnership, association or other entity in which he is interested, whether directly or indirectly.

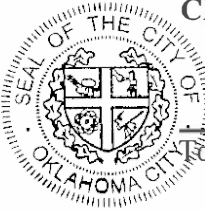
7.11 Duplicate Originals. The Loan Documents shall be executed in duplicate and each of the parties hereto shall receive an original. Each original shall constitute one and the same Agreement.

7.12 Reporting: Borrower shall provide to The City a current rent roll and occupancy report for the subject property no later than the 1st day of September, 2026, reflecting a minimum 75% building occupancy.

IN WITNESS WHEREOF, Borrower and Lender have executed this Loan Agreement as of the date first written above by and through their duly authorized representatives.

ATTEST:


City Clerk



CITY OF OKLAHOMA CITY


Todd Stone, Vice-Mayor

APPROVED as to form and legality.


Assistant Municipal Counselor

BORROWER:

JRB CITIZEN, LLC, an Oklahoma limited liability Company

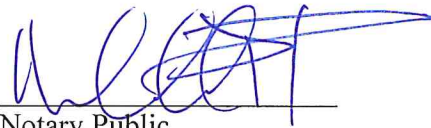
By: Heritage Wealth Management Company,
an Oklahoma corporation, its Manager

By: 
S. Bond Payne, Chairman and CEO

ACKNOWLEDGEMENT

STATE OF OKLAHOMA)
) SS.
COUNTY OF OKLAHOMA)

This instrument was acknowledged before me on the 1st day of May 2023,
by S. Bond Payne as Chairman and CEO of Heritage Wealth Management Company, the Manager
of JRB CITIZEN LLC, on behalf of said company;


Notary Public

(SEAL)

My Commission Expires: 11/16/24

My Commission Number: 04010435

