

Addendum and Amendment to Economic Development Agreement with 700 West 4th, LLC, an Oklahoma Limited Liability Company

THIS Addendum and Amendment (this "Addendum") to the Economic Development Agreement ("Agreement") by and between the Oklahoma City Economic Development Trust ("OCEDT" or "Trust"), and 700 West 4th, LLC ("Original Developer"), an Oklahoma limited liability company, dated as of August 4, 2020 is hereby amended by this Addendum, to, among other provisions, add and substitute CRP/WRDP 700 West 4th St Owner, L.L.C., a Delaware limited liability company as the Developer ("Substitute Developer" or "Developer"), and is made effective as of the Date of Concurrence by The City of Oklahoma City, as provided by Section 8.2 of the Agreement.

WITNESSETH:

WHEREAS, The City of Oklahoma City ("The City") is an Oklahoma municipal corporation operating under a City Charter and the laws of the State of Oklahoma; and

WHEREAS, OCEDT, a public trust whose sole beneficiary is The City, was created in part for the purpose to promote and assist The City with economic and community development and redevelopment projects, in particular those projects which involve substantial capital investments and the creation and retainage of jobs and employment opportunities within Oklahoma City; and

WHEREAS, the principals of 700 West 4th, LLC, an Oklahoma limited liability company ("Original Developer"), in their efforts to secure financing for the expanded Project required by OCURA, have determined that entering into a joint venture with respect to CRP/WRDP 700 West 4th St Owner, L.L.C., a Delaware limited liability company, is necessary to raise equity and secure the financing from Tinker Federal Credit Union to complete the Project in the manner required by its Agreements with OCURA and OCEDT; and

WHEREAS, the 700 West Project consists of acquiring the Property and constructing not less than a three hundred (300) unit multi-family residential apartment complex, which includes 72 affordable housing units consistent with the GOLT Bond fund affordable housing requirements; and

WHEREAS, the Original Developer has approached staff concerning an amendment and addendum to the Agreement to allow for the assignment by the Original Developer of all of its rights and obligations under the Agreement to CRP/WRDP 700 West 4th St Owner, L.L.C. to be substituted to the Agreement as the Developer, in lieu of the Original Developer and subject to the same basic terms and conditions as set forth in the Agreement except as expressly modified herein; and

WHEREAS, the Trust deems it appropriate, upon concurrence by the City Council, to approve the execution of this Addendum and Amendment to the Economic Development Agreement which provides for implementation of the 700 West Project because approval of the

Amended Agreement is in the best interest of The City and will result in a benefit to the health, safety, and welfare of its citizens and to the State of Oklahoma through the creation and construction of 72 affordable workforce housing units in an opportunity area of Oklahoma City.

NOW, THEREFORE, in consideration of the promises and mutual obligations herein set forth, the parties hereby covenant and agree with each other as follows:

1. Section 1.4 of the Agreement is hereby amended to read as follows:

1.4 Developer or Substitute Developer. Developer or Substitute Developer means CRP/WRDP 700 West 4th St Owner, L.L.C. a Delaware limited liability company.

2. Section 1.14 of the Agreement is hereby amended to extend the Completion Deadline from December 31, 2022 to June 1, 2024 and is amended to read as follows:

1.14 Project Completion Deadline. "Project Completion Deadline" is June 1, 2024.

3. Section 3.1 of the Agreement is amended by the addition of the following paragraph at the end of the Section 3.1

Although the inclusion of commercial space is not expressly required, should the Developer opt to construct or include commercial space, said space include "Live Work Space" which has become a requested accommodation in many urban apartment settings. "Live Work Space" is conceptually a joint combination of living quarters and commercial space. Live Work Space must comply with all applicable zoning and licensing requirements. It is anticipated that at least three of the units will be live-work units.

4. Section 3.3 (Project Completion Deadline – Extension.) of the Agreement is hereby amended to read as follows:

3.3 Project Completion Deadline – Extension.

The Project must be completed by the Project Completion Deadline. Although it is not anticipated because of the limited life expectancy of Increment District No. 2, City of Oklahoma City, the Developer may request an extension from the Trust, in the event the Project is delayed for reasonable cause, including because of adverse market conditions that delay the delivery of materials or labor need to timely complete the Project, which extension criteria will be in addition to the force majeure provisions of the Agreement. The request shall be in writing and shall explain the need for the extension and shall be submitted to the Project Manager not less than one-hundred twenty (120) days prior to the Project Completion Deadline. The Trust in its sole discretion shall decide if an extension will be granted. If granted, this extension will also extend the date by which the Property will go on the ad valorem tax rolls as a completed project by the same amount of time and therefore, will result in a reduction in the amount of the Development Incentive available as an incentive for the Project. Any other or further extension may be granted only by the express written consent of the Trust, which the Trust may grant or withhold in its sole discretion. Nothing herein shall be construed to mean Developer has failed to perform its duty to use Reasonable Efforts to complete the Project by the Project Completion Deadline solely due to the fact Developer does not complete the Project by the Project Completion Deadline.

5. Section 5.1.3 of the Agreement is hereby amended to read as follows:

5.1.3 Reassessment of Ad Valorem Taxes owed on the Property. Developer shall take necessary actions to make sure the Property, as described in Exhibit D, will be subject to reassessment by the Oklahoma County Assessor as a completed project on or before June 1, 2024. Developer acknowledges that by extending the Project completion date that there will be less increment generated by the Project and therefore the Development Incentive is likely to be less than \$2,155,000 as reflected in Section 6.1. The parties further agree that the Development Incentive is hereby assigned and shall be paid to the Substitute Developer.

6. Section 5.1.5 of the Agreement is hereby amended to read as follows:

5. Timely Payment of Minimum Tax Payment in Lieu of Taxes.

The Property being developed under the 700 West Project is located within the Increment District and Project Area of Increment District Number Two, City of Oklahoma City of the Downtown/MAPS Project Plan. Developer acknowledges and agrees that revenues to fund the Development Incentive provided under this Agreement are expected to come in part from the tax increment generated by the increase in the assessment of ad valorem property taxes anticipated to be generated from the Project's increased property value arising from the construction of the 700 West Project. Developer further acknowledges and agrees that the necessary tax increment needed to support the Development Incentive will be maximized by the agreement of the Developer assuring the payment of ad valorem taxes assessed by the County Assessor on the completed Project and/or by the agreement of the Developer to make a Minimum Annual Payment on the Property. The Minimum Annual Payment shall consist of the payment of the ad valorem taxes assessed by the Oklahoma County Assessor on the each parcel of the Property as identified in the records of the County Assessor by Account Numbers to be provided in the future, and in the event the amount of annual assessed ad valorem tax payments on each parcel is less than the required Minimum Annual Payment (the amount of \$545,000), then Developer will pay an additional payment in lieu of taxes to the Trust within thirty (30) days of the date of receipt of an invoice submitted by the Trust. The payment shall be a payment made in lieu of taxes, payable to the Trust, and will be the amount which equals the difference between the required Minimum Annual Payment (\$545,000), and the amount of annual assessed ad valorem taxes on the Property assessed by the Oklahoma County Assessor on the Property. Developer further agrees that the Properties associated with the 700 West Project will be subject to assessment by the Oklahoma County Assessor as if the Property were fully improved as of December 31, 2023, as anticipated by this Agreement. The required Minimum Annual Payment will be calculated to achieve a collection of the incentive over the remaining life of Increment District No. 2. Upon the expiration of the life of Increment District No. 2, the required Minimum Annual Payment will cease to apply and will be null and void.

Developer agrees, during the remaining period of the life of Increment District No. 2, that any document transferring any interest in the land from Developer (or related property owners) will include this obligation to make the Minimum Annual Payment.

On or before February 1st of each year, the Trust, by and through the Project Manager, shall submit an invoice to Developer or its successor or assigns showing the amount of the required Minimum Annual Payment owed by Developer for the payment in lieu of taxes, if any. Developer shall remit payment of the amount within 30 days of the date of receipt of the invoice.

7. Section 9.3 of the Agreement is hereby amended to read as follows:

9.3 “Permitted Transfer” means a transaction in which Developer:

- (a) grants a lien on or creates a security interest in the Property or the Project to a lender, solely as permitted in Section 5, to obtain financing necessary to enable Developer to perform its obligations regarding construction of the Project under this Agreement, and for any other purpose authorized by this Agreement; or
- (b) leases a residential or commercial unit located on the Property to a tenant; or
- (c) any direct or indirect transfer of an interest in the Developer or the Project will be a Permitted Transfer so long as any of Ron Bradshaw, Jason Bradshaw or Carlyle Member or any of their respective affiliates remain a member of the Developer or the Venture and continue to exercise control over the Developer through its or their position as manager of the Developer or the Venture. In the case of a Permitted Transfer under this paragraph (c), the transferee will be entitled to receive the incentives earned under the Agreement.
- (d) a sale of the Property after completion of the initial development of the Project in substantial compliance with the Concept Documents involving a Purchaser Loan Assumption. In the case of a Permitted Transfer under this paragraph (d), the transferee will be entitled to receive the incentives earned under the Agreement.

8. Section 10 of the Agreement is amended to substitute CRP/WRDP 700 West 4th St Owner, L.L.C., as the notice recipient for the Developer and shall read as follows:

in the case of Developer, is addressed (or delivered personally) to:

CRP/WRDP 700 West 4th St Owner, L.L.C.

Attention: Ronald Bradshaw

105 N. Hudson Ave., Suite 202

Oklahoma City, Oklahoma 73102

With a copy to:

c/o The Carlyle Group

1001 Pennsylvania Avenue, N.W.

Suite 220 South

Washington, D.C. 20004

Attn: David Daniel

9. Section 12.3 (d) ("Termination by Trust") is hereby amended to read as follows:

(d) In the event that Developer fails to meet the Project Completion and Occupancy Requirement by four (4) months following the Project Completion Deadline.

ADDENDUM TO ECONOMIC DEVELOPMENT AGREEMENT

I. The Agreement is amended to include the following provisions:

1. Throughout the term of the Agreement, or until their obligations under the agreement have been fulfilled, one of Ron or Jason Bradshaw (or a trust or other entity for the benefit of any family member for estate planning purposes upon the death of either such individual) agrees to remain a Member of Sponsor and Sponsor Promote Member so long as Sponsor and Sponsor Promote Member are members of the Venture and the Venture owns the Developer.

2. Representations as to Developer.

The Developer is wholly owned by CRP/WRDP 700 West 4th St Venture, L.L.C., a Delaware limited liability company (the "Venture"). The Venture has three Members, namely WRDP-700 West Investors, LLC, an Oklahoma limited liability company (the "Sponsor"), WRDP-700 West Promote, LLC, an Oklahoma limited liability company

(the "Sponsor Promote Member"), and CRP 700 West 4th St Member, L.L.C., a Delaware limited liability company (the "Carlyle Member"). With respect to the Sponsor and the Sponsor Promote Member, Ron and Jason Bradshaw, are named as managers of both of both such companies and Jason Bradshaw, indirectly, is a member of both such companies. Under the Limited Liability Company Agreement of the Venture, the Sponsor (by and through its managers, Ron and Jason Bradshaw) is designated to serve as day-to-day manager of the Venture, subject to Carlyle Member's right to approve decisions as set forth in the Limited Liability Company Agreement of the Venture. In such capacity, Ron and Jason Bradshaw, are delegated the authority to negotiate with the Trust and the City with respect to the Agreement. The Carlyle Member is the manager of the Venture, entitled to make and approve the major decisions under the Limited Liability Company Agreement of the Venture.

3. Clarification of Parties.

In lieu of 700 West 4th, LLC, an Oklahoma limited liability company ("Original Developer"), CRP/WRDP 700 West 4th St Owner, L.L.C., (Substitute Developer or Developer) by virtue of this Amendment and Addendum shall be considered a party to the Agreement, entitled to all of the rights and obligations of the Original Developer under the Agreement.

4. Impact of Addendum and Amendments.

The parties agree that all other terms and conditions of the Agreement remain unchanged and in full force and effect except as expressly modified by the Amendments or Addendum.

5. Conditional Approval.

This Addendum and Amendment is predicated upon the Limited Liability Company Agreement of the Venture being executed; the Developer acquiring the Property from OCURA, and the representations and warranties set forth in Section 2 of this Addendum shall be made as of the date all such conditions have been fulfilled. If such conditions have not occurred by July 31, 2021, this Addendum and Amendment Agreement shall be deemed null and void *ab initio*.

[Remainder of page is intentionally blank. Signature pages to follow.]

[Signature Page for Original Developer]

700 WEST 4TH, LLC
an Oklahoma limited liability company

By: Ronald E. Bradshaw
Ronald Bradshaw, Manager

Date: 6/18/21

ACKNOWLEDGEMENT

STATE OF Oklahoma)
) ss.
COUNTY OF Oklahoma)

Before me, the undersigned, a Notary Public in and for said County and State, on the 18th day of June, 2021, personally appeared Ronald Bradshaw, the Manager of 700 West 4th. LLC, to me known to be the identical person who executed the foregoing instrument and acknowledged to me that he executed the same as his free and voluntary act and deed, and as the free and voluntary act and deed of said corporation or entity for the uses and purposes therein set forth.

Given under my hand and seal the day and year above written.



Linda M. Kaszowski
Notary Public

Notary Public # 12456

My Commission Expires: 8/14/24

[Signature Page for Substitute Developer]

CRP/WRDP 700 WEST 4TH ST OWNER, L.L.C.
a Delaware limited liability company

By: CRP/WRDP 700 WEST 4TH ST VENTURE, L.L.C.,
A Delaware limited liability company, as sole member

By: WRDP-700 WEST INVESTORS, LLC,
An Oklahoma limited liability company, its authorized
member

By: Ronald E. Bradshaw
Ronald Bradshaw, Manager

Date: 6/18/21

ACKNOWLEDGEMENT

STATE OF Oklahoma)
) ss.
COUNTY OF Oklahoma)

Before me, the undersigned, a Notary Public in and for said County and State, on the 18th day of June, 2021, personally appeared Ronald Bradshaw, the Manager of WRDP-700 West Investors, LLC, as authorized member of CRP/WRDP 700 West 4th St Venture, L.L.C., as the sole Member of CRP/WDRP 700 West 4th St Owner, L.L.C., a Delaware limited liability company to me known to be the identical person who executed the foregoing instrument and acknowledged to me that he executed the same as his free and voluntary act and deed, and as the free and voluntary act and deed of said entities for the uses and purposes therein set forth.

Given under my hand and seal the day and year above written.



Linda M. Kaszowski
Notary Public

Notary Public # 12456

My Commission Expires: 8/14/24

[Signature Page for the Oklahoma City Economic Development Trust]

APPROVED by the Chairman and Trustees of the Oklahoma City Economic Development Trust.

“TRUST”

ATTEST:

OKLAHOMA CITY ECONOMIC
DEVELOPMENT TRUST, a public trust



SECRETARY


SEAL


CHAIRMAN

Date Approved: June 22, 2021

Reviewed for form and legality.


Deputy Municipal Counselor

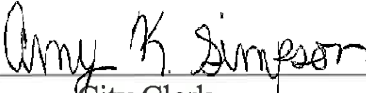
[Concurrence Signature Page for The City of Oklahoma City]



CONCURRENCE by the Mayor and Council of The City of Oklahoma City.

ATTEST:

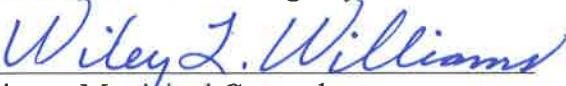
“CITY”

THE CITY OF OKLAHOMA CITY,
a municipal corporation


City Clerk

 By 
VICE- MAYOR

Reviewed for form and legality.


Assistant Municipal Counselor