

AGENDA
Lawton Economic Development Authority
JUNE 15, 2023—2:00 PM
City Hall
3rd Floor Conference Room
212 SW 9th Street
Lawton, Oklahoma 73501

MEETING CALLED TO ORDER

STATEMENT OF COMPLIANCE WITH OKLAHOMA OPEN MEETING ACT, 25 O.S. § 301-314

ROLL CALL

ADMINISTRATION OF CONSTITUTIONAL AND STATUTORY OATH OF OFFICE FOR GEORGE GILL

INTRODUCTION OF GUESTS

BUSINESS ITEMS

1. Consider approving the minutes of the May 18, 2023 meeting.
2. Consider approving invoices, requisitions, and all other submitted materials for payment and take action as deemed necessary.
3. Receive Financial Report(s) and take action as deemed necessary.
4. Receive an update on the status of Southwest Oklahoma Brewery and take action as deemed necessary.
5. Consider approving a Professional Services Agreement between LEDA and CEDL for fiscal year 2023-2024 and take action as deemed necessary.
6. Consider approving a Professional Services Agreement between LEDA, CEDL, and City of Lawton for fiscal year 2023-2024 and take action as deemed necessary.
7. Discuss a request from the Lawton Lodging, LLC, to extend the term of the Amended Function Space License Agreement, which provides for the rebate of the Hotel Occupancy Tax generated by the Hilton Garden Inn for 10 years commencing on March 21, 2014, up to a maximum rebate amount of \$3.5 million, for an additional 10-year period, and take action as deemed necessary.
8. Discuss the possibility of hiring an Executive Director for LEDA and take action as deemed necessary.

STAFF REPORTS

ADJOURNMENT

AGENDA
Lawton Economic Development Authority
MAY 18, 2023—2:00 PM
City Hall
3rd Floor Conference Room
212 SW 9th Street
Lawton, Oklahoma 73501

Fred Fitch, Chair, called the meeting to order at 3:00 PM. in the 3rd floor conference room of City Hall. Meeting notice and agenda were posted on the City Hall bulletin board as required by State Law.

ROLL CALL:

PRESENT: Fred Fitch, David Madigan, David Means, Larry Neal, Ernest Sheppard

ABSENT: Jason Hensley, Randy Warren, Ron Nance

OTHERS PRESENT: Susan Schlecht, Financial Services; Greg Gibson, City Attorney's Office; DeeAnn Patterson, Lawton Constitution; Tammy Branstetter, Recording Secretary (City Clerk's Office)

STATEMENT OF COMPLIANCE WITH OKLAHOMA OPEN MEETING ACT, 25 O.S. 301-314

Chairman Fitch verified the posting of notice and agenda in compliance with the Oklahoma Open Meeting Act with Branstetter.

INTRODUCTION OF GUESTS

Chairman Fitch introduced DeeAnn Patterson with the Lawton Constitution, who is filling in for Kim McConnell.

BUSINESS ITEMS

1. Consider approving the minutes of the January 11 and February 23, 2023 meetings.

Motion by Madigan, Second by Means, to approve the minutes of the January 11 and February 23, 2023 meetings. **AYE:** Madigan, Means, Neal, Sheppard, Fitch. **NAY:** None. ***MOTION PASSED.***

2. Consider approving invoices, requisitions, and all other submitted materials for payment and take action as deemed necessary.

Schlecht presented the following invoices from February 23, 2023 through May 18, 2023:

- Bank of Oklahoma loan payment - \$475,100.00 to BOK
- Consultant Services with Richard Rogalski - \$4,000.00 to Richard Rogalski
- Consultant Services with Richard Rogalski - \$3,000.00 to Richard Rogalski
- Filing fees for Bricktown Brewery Lien Release - \$20.00 to City Clerk's Office
- City of Lawton reimbursement for payments made out of the wrong account - \$6,633.00 to the City of Lawton
- TIF District January 2023 legal expenses - \$1,357.50 to Center for Economic Development Law

- TIF 2 January 2023 legal expenses- \$587.50 to Center for Economic Development Law
- TIF 2 February 2023 legal expenses- \$860.00 to Center for Economic Development Law
- TIF 2 March 2023 legal expenses- \$1,167.50 to Center for Economic Development Law

Motion by Sheppard, Second by Neal, to approve the expenses from February 23, 2023 to May 18, 2023 as presented. **AYE:** Madigan, Means, Neal, Sheppard, Fitch. **NAY:** None. ***MOTION PASSED.***

3. Receive Financial Report(s) and take action as deemed necessary.

Schlecht presented the Balance Sheet and Income and Expense Activity Report for February, March and April 2023 and the LEDA Loan Report as of April 2023. Schlecht also presented a TIF 3 Disbursement Determination Report and a Lawton Lodging/Hilton Hotel Occupancy Taxes Report. These documents are available in the City Clerk's Office upon request.

Chairman Fitch noted that the Authority received more money for TIF 3 in the month of March.

Schlecht said that is correct – the Authority received \$56,000 in property taxes, plus interest, during the month of March.

Schlecht said sales and use taxes were received in April for the months of December 2022, January 2023 and February 2023. She said the Dollar Tree stopped reporting their sales taxes for a period of time, and that caused a slight delay in the collection of sales and use taxes. Schlecht said the Dollar Tree has since been notified that they are required to provide this information.

Chairman Fitch asked how close the Authority is to making their September loan payment.

Schlecht said the Authority is currently \$228,790.92 short of fulfilling the loan payment in the amount of \$1,727,642.40. However, the Authority is expected to receive matching funds as well as sales and use taxes for the months of March, April and May 2023 before the loan payment is due. She does not foresee an issue with making this loan payment.

With regards to the TIF 3 Disbursement Determination Report, Chairman Fitch noted that the \$396,467.48 received for "Project Support and Public Improvements" must be used strictly for improvements to the industrial park.

Schlecht said these funds can be used in any of the industrial park TIF Districts as outlined in the STEDI Project Plan.

With regards to the TIF 3 disbursements, Madigan asked if Schlecht sends out a letter with the checks that are mailed to the various taxing entities (e.g., Cache Public Schools, Comanche County and Great Plains Vo-Tech), explaining why they are receiving these funds.

Schlecht said yes, she has sent letters to each taxing entity explaining what these payments are for.

Madigan asked if members of the Authority can obtain a copy of the letter(s) Schlecht has sent to the taxing entities.

Motion by Means, Second by Sheppard, to approve the Financial Report as presented. **AYE:** Madigan, Means, Neal, Sheppard, Fitch. **NAY:** None. ***MOTION PASSED.***

4. Consider approving a Resolution authorizing and directing the formation of a Financial Implementation Committee and prescribing its responsibilities and appointing a county

representative as an ex officio (non-voting) member to the board of trustees of the Lawton Economic Development Authority.

Chairman Fitch said this Committee would include himself, Susan Schlecht and Charlotte Brown with the planning department. This Committee would likely meet on an on-call basis, and it's possible they will only need to meet a few times each year. This Committee would be formed in an effort to get all involved parties (e.g. the County Tax Assessor's Office, the County Treasurer's Office, LEDA, the City of Lawton, and all of the taxing entities that receive TIF disbursements) on the same page.

Chairman Fitch asked Schlecht how often the Authority decided to pay out these disbursements to the various taxing entities.

Schlecht said she believes it was determined to make these payments on an annual basis.

Sheppard asked if this Committee would have the ability to change the distribution of funds after they've been determined.

Chairman Fitch said the Committee would not have this authority. The Committee would strictly be monitoring the distribution process and providing clarification when needed.

Madigan asked that the minutes from these Committee meetings be made available to the Authority going forward.

Motion by Sheppard, Second by Madigan, to approve a Resolution authorizing and directing the formation of a Financial Implementation Committee and prescribing its responsibilities and appointing a county representative as an ex officio (non-voting) member to the board of trustees of the Lawton Economic Development Authority. **AYE:** Madigan, Means, Neal, Sheppard, Fitch. **NAY:** None. **MOTION PASSED.**

5. Consider approving an Amendment to Mowing and Debris Removal Contract for LEDA and LURA Properties Between the Lawn Wizards, the Lawton Economic Development Authority and the Lawton Urban Renewal Authority.

Chairman Fitch noted that this is the 3rd and final extension of the original contract, and it will extend the contract for an additional one-year period.

Motion by Madigan, Second by Neal, to approve an Amendment to Mowing and Debris Removal Contract for LEDA and LURA Properties Between the Lawn Wizards, the Lawton Economic Development Authority and the Lawton Urban Renewal Authority. **AYE:** Madigan, Means, Neal, Sheppard, Fitch. **NAY:** None. **MOTION PASSED.**

6. Discuss a request from the Lawton Lodging, LLC, to extend the term of the Amended Function Space License Agreement, which provides for the rebate of the Hotel Occupancy Tax generated by the Hilton Garden Inn for 10 years commencing on March 21, 2014, up to a maximum rebate amount of \$3.5 million, for an additional 10 year period, and take action as deemed necessary.

Chairman Fitch said this request was received in the form of a letter from Sam Kumar with Lawton Lodging. A copy of this letter was sent out to Authority members along with a copy of the Amended Function Space License Agreement. These documents may be obtained from the City Clerk's Office upon request.

Sheppard noted that if the trend of income verses expenses for the Hilton stays the same, they will continue to lose money.

Chairman Fitch noted that the figures provided by Sam Kumar only reflect the income and expenses for the convention center portion of the hotel.

Sheppard said he's sure that the people utilizing the convention center are also renting out hotel rooms. However, he said if this trend continues, the Hilton might be better off shutting down the convention center.

Chairman Fitch said an agreement was recently made between the CCIDA and the Hilton Garden Inn that states the convention center must remain open for another ten years.

Madigan said he believes the Authority has been fair with what they've provided to the Hilton thus far.

Chairman Fitch said he does not wish for the Authority to take action on this item today. He said he would like future discussion regarding this request to be had at a meeting when more members are in attendance.

Chairman Fitch said he did reach out to Dan Bachelor to get his thoughts on how to reply to this request. Chairman Fitch said that the convention center has proven to be an asset to the Lawton community, and it may be important to try to keep it up and running.

Chairman Fitch said he plans on asking Sam Kumar to provide the Authority with a list of all the events that have been held at the convention center over the past few years.

NO ACTION TAKEN ON THIS ITEM

DISCUSSION ITEMS AND REPORTS

Chairman Fitch said the Limited Services Agreement with Richard Rogalski has ran it's course, and Rogalski will no longer be working for the Authority. He said Charlotte Brown will start attending meetings to provide staff support for the Authority.

ADJOURNMENT

Motion by Madigan, Second by Means, to adjourn the May 18, 2023 meeting. **AYE:** Madigan, Means, Neal, Sheppard, Fitch. **NAY:** None. ***MOTION PASSED.***

There being no further business, the meeting adjourned at 3:00 PM.

April 21, 2023

Mr. Fred L. Fitch
Lawton Economic Development Authority
212 SW 9th Street
Lawton, OK 73501

Re: Lawton Lodging, LLC & Hilton Garden Inn – Lawton Fort Sill Convention Center

Dear Mayor Fitch,

We are writing this letter to inform you of the Hilton Garden Inn – Lawton Fort Sill Convention Center operations and request LEDA to extend our Hotel-Motel occupancy tax (HOT) rebate program for another 10 years.

We have gone through a lot in the last 9 years of operations since we opened the hotel on 3/21/2014. We struggled through the initial few years, struggled through the COVID years and now we are steadily doing better all the while providing the community with a great convention center.

In 2022, we generated a revenue of \$689,564 spending around \$824,350 for a loss of \$134,785. This revenue was double the 2021 year revenue, but we still lost money. Please see the detailed summary attached.

As is evident from the attached summary, we cannot sustain and continue operating the convention center without the HOT rebate program from LEDA.

We believe the convention center brings in much needed visitors to Lawton and serves as a huge community benefit for gatherings within the community.

We are programming repairs and replacements at the convention center in the tune of a quarter million dollars. Additionally, we have to plan on doing a soft goods remodel and FF&E remodel within the Hotel that will involve a few million dollars of renovations within the next three years.

Based on all of the above, we kindly request you to get the LEDA authority's approval to extend the HOT tax rebate for the Hilton Garden Inn Hotel for another 10 years as long as the convention center is in operation.

Please do let me know if you have any questions or comments. Thank you.

Sincerely,

Lawton Lodging, LLC



Sam Kumar
Manager

Lawton Lodging, LLC
1000 N Lamar Blvd., Suite 400
Austin, TX 78703
512-247-7000 Phone

Lawton Lodging, LLC
Lawton - Ft. Sill Convention Center

Convention Center Revenue	2022	2021
Liquor / Beer / Wine	\$ 66,961.70	\$ 31,100.25
Other Beverages	\$ 6,424.23	\$ 1,312.75
Breakfast	\$ 20,564.02	\$ 13,128.59
Lunch	\$ 93,033.74	\$ 40,408.41
Reception	\$ 23,844.00	\$ 7,888.50
Dinner	\$ 171,628.65	\$ 107,845.62
Misc. Charges	\$ 146,250.85	\$ 85,257.43
Room Rental	\$ 99,680.03	\$ 32,142.25
Audio Visual Charges	\$ 6,060.00	\$ 528.79
Service Charge	\$ 55,117.44	\$ 23,340.92
Total Convention Center Revenue	\$ 689,564.66	\$ 342,953.51
Convention Center Expenses		
Cost of Liquor / Beer / Wine	\$ 26,115.06	\$ 11,818.10
Cost of Other Beverages	\$ 2,569.69	\$ 525.10
Cost of Breakfast	\$ 9,459.45	\$ 6,170.44
Cost of Lunch	\$ 42,795.52	\$ 18,991.95
Cost of Reception	\$ 10,968.24	\$ 3,707.60
Cost of Dinner	\$ 78,949.18	\$ 50,687.44
Credit Card Commissions	\$ 13,791.29	\$ 6,859.07
Payroll - Convention Center	\$ 134,048.13	\$ 91,864.96
Payroll - Kitchen	\$ 98,902.53	\$ 50,781.34
Payroll - Sales	\$ 45,000.00	\$ 42,000.00
Payroll - Taxes	\$ 10,073.18	\$ 6,494.69
Contract Labor	\$ 27,582.59	\$ 13,718.14
F&B Other Expenses	\$ 103,434.70	\$ 51,443.03
A&G Related Expenses	\$ 75,852.11	\$ 37,724.89
Repairs & Maintenance Expenses	\$ 27,582.59	\$ 13,718.14
Utilities	\$ 34,478.23	\$ 17,147.68
Convention Center Op Expenses	\$ 741,602.49	\$ 423,652.55
Interest Expense	\$ 48,269.53	\$ 24,006.75
FF&E Reserve Expense	\$ 20,686.94	\$ 10,288.61
Insurance Expense	\$ 13,791.29	\$ 6,859.07
Convention Center Non-Op Expenses	\$ 82,747.76	\$ 41,154.42
Income/Loss	\$ (134,785.59)	\$ (121,853.46)

AMENDED FUNCTION SPACE LICENSE AGREEMENT

THIS FUNCTION SPACE LICENSE AGREEMENT (this "Agreement") is made by and between the **LAWTON ECONOMIC DEVELOPMENT AUTHORITY**, a public trust ("Licensee," or "LEDA") and **LAWTON LODGING, LLC**, a Texas limited liability company ("Licensor"), to be effective as of the Commencement Date (as defined below).

RECITALS

A. Licensor intends to acquire the real property (the "Land"), more particularly described on Exhibit A hereto, and, pursuant to a Hotel-Conference Center Redevelopment Agreement with LEDA, dated April 12, 2012, construct thereon a conference center and hotel of a quality recognized generally in the hospitality industry as comparable to a Hilton Garden Inn franchise property with approximately 160 guest rooms, and 20,000 square feet of flexible meeting space, including ballroom, boardrooms and breakout rooms, restaurant, bar, business center, fitness center, swimming pool, and lobby (together the "Hotel-Conference Center") at the approximate location depicted on the site plan attached hereto as Exhibit B. The flexible meeting space, including the ballroom, pre-function space, and boardroom, to be located in the Conference Center are referred to herein as the "Function Space."

B. Licensee and Licensor have agreed that Licensee and the City of Lawton ("City"), as well as individuals and entities authorized by Licensee to use the Function Space, (collectively, "LEDA") shall have the irrevocable right and license to use the Function Space during the Term (as hereinafter defined, on the terms and conditions set forth below). Licensor acknowledges that Licensee would not have agreed to the payment of the License Fees except for Licensor's agreement to make Function Space available to LEDA.

In consideration of the payments to be made by Licensee and the promises contained in this Agreement, Licensee and Licensor agree as follows:

1. License Grant. Licensor hereby grants to Licensee a non-exclusive irrevocable license to use the Function Space, for the purpose of providing meeting, boardroom, ballroom and pre-function space to LEDA.

2. Term. The Term of this Agreement shall be for a period commencing upon the opening of the Hotel-Conference Center for business (the "Commencement Date"), and extending for one hundred and twenty (120) months thereafter. In the event that the Commencement Date fails to occur on or before May 1, 2014, this Agreement shall be null and void.

3. License Fees. In consideration of Licensee's license to use the Function Space, Licensee shall pay Licensor license fees in the principal amount of Two Million Eight Hundred Thousand Dollars (\$2,800,000.00) as of the Commencement Date and payable over ten years at an annual interest rate of 4.75% in accordance with the terms set out in this Agreement (the "License Fees"). Notwithstanding the above, in no event shall the cumulative amount of License Fees Licensee is obligated to pay hereunder exceed the lesser of: (a) Three Million Five Hundred Thousand Dollars (\$3,500,000.00) or (b) the cumulative amount of hotel occupancy taxes received by the City pursuant to Article 10-12, Chapter 10 of the Code

of Lawton, Oklahoma, 2005, as amended, payable from the operations of the Hotel-Conference Center ("Hotel Occupancy Tax") for the Term, whichever is less. Under no circumstances shall the License Fees include any receipts from the imposition and collection of hotel occupancy taxes pursuant to Article 10-12, Chapter 10 of the Code of Lawton, Oklahoma, 2005, as amended, for or attributable to any other location, establishment, entity, or business other than the Hotel-Conference Center. The License Fees shall be due and payable thirty (30) days after receipt of invoice from Licensor stating the License Fees due for the preceding period, and accompanied by a copy of the Hotel Tax Return submitted to Licensee for the preceding period, (i.e., monthly, quarterly, semi-annually, or annually according to current or modified City Hotel Occupancy Tax reporting requirements) and proof of payment of the Hotel Occupancy Tax. Licensee shall not be required to pay any License Fee for any period (or portion thereof) during the term of this Agreement for which the City has not received Hotel Occupancy Tax that Licensor was legally obligated to pay, or if Licensor is in breach or default of this Agreement or the Hotel-Conference Center Development Agreement.

The License Fees shall be paid from funds apportioned pursuant to the Lawton Downtown Economic Development Project Plan. License Fees shall be limited to and shall in no event exceed those amounts as are actually received in hand by the Licensee from the Hotel Occupancy Tax revenues described herein, subject to Section 14 below.

4. Function Space. Licensee shall be entitled to the use of the Function Space and guest rooms as particularly set forth in Paragraph 5 below. Licensor shall equip and furnish the Function Space in such manner that it is readily usable by LEDA for the intended and scheduled activities. The reservation and use of Function Space and guest rooms as specified in Paragraph 5 shall be at no additional cost to LEDA except the cost of food and beverage service provided by Licensor at the request of LEDA (all of which shall be charged at rates at least as favorable to Licensee as the rates charged by the Hotel to its best corporate users of FunctionSpace). Licensor shall operate and maintain the Function Space and furnishings in a first-class manner for the Term of this Agreement, and Licensee shall have no obligation or responsibility, financial or otherwise, to operate or maintain the Function Space and/or the furnishings therein.

5. Reservation and Meeting Procedures.

(a) Licensee shall provide Licensor with a current, accurate list of persons authorized to reserve Function Space on behalf of LEDA, which list may be updated from time to time at Licensee's sole discretion. Reservations shall be made by contacting the manager of the Hotel-Conference Center, and referencing this Agreement.

(b) LEDA shall be entitled to (i) use of ballroom and prefunction Function Space three (3) times per calendar year, and (ii) use of the boardroom and associated prefunction Function Space six (6) times per calendar year, and (iii) use of up to five (5) daily uses of guest rooms within the Hotel per calendar month, non-cumulative, subject to availability at the date the reservation is made. The Function Space shall not be available to LEDA on the first, second, and third Friday and Saturday evenings of December, nor on December 31 of each year. In the event Function Space or guest

rooms are not available at the times requested by LEDA, Licensor is responsible for providing LEDA with suggested alternate times of comparable utility to LEDA when the Function Space or guest rooms are available. LEDA shall reserve Function Space and guest rooms not earlier than thirty (30) days prior to the desired date, provided, however, that one (1) time per calendar year, with respect to ballroom and prefunction Function Space, and two (2) times per calendar year with respect to the board room, the LEDA may reserve the Function Space up to one hundred eighty (180) days in advance. Licensor and Licensee shall work together in good faith to resolve any conflicts in reservations for Function Space.

(c) Licensor reserves the right to: (i) adopt additional, reasonable requirements or procedures pertaining to reservations by LEDA, and (ii) assign specific Function Space rooms, in consultation with Licensee, appropriate to the scheduled event, and (subject to the dates and spaces reserved by Licensee) reserve spaces for Licensor and guests of the Hotel, or other parties. Licensor reserves the right to deny access to any person which Licensor reasonably believes is violating the terms of this Agreement or the Hotel Rules and Regulations, or annoying or interfering with other users of the Function Space.

6. Hotel Tax Return. Licensor shall file a Hotel Occupancy Tax Return with the City, with copy to LEDA, in a form prescribed by the City from time to time and in accordance with applicable ordinances, reporting all Hotel Occupancy Tax due and payable. Licensor shall keep and maintain accurate records of the consideration and Hotel Occupancy Tax paid by the occupant of each sleeping room in the Hotel-Conference Center. Such records shall include, but not be limited to, guest folios, tax exemption certificates, and any original documents such as posting ledgers and rate and stay adjustment reports. These records may be retained in any retrievable format, including but not limited to microfilm; shall be maintained for a period of not less than five (5) years; and shall be available for inspection and copying upon request by any employee, agent, officer or representative of Licensee at all reasonable times. Any adjustments or allowances made or granted shall be reported to Licensee, on a form prescribed by Licensee.

7. Licensor Default. It shall be a Default hereunder if Licensor fails to pay when due any ad valorem, Hotel Occupancy Tax or State and local sales taxes (provided Licensor retains the right to timely and properly protest and/or contest such taxes or assessment):

8. Remedies. In the event of a Default, subject to any grace or cure periods, Licensee shall have the rights set forth below:

(a) To offset, against License Fees next coming due, an amount equal to one and one half times the Hotel Occupancy Tax for any period in which there is an uncured Default; or;

(b) At Licensee's election, deliver Licensor a notice declaring Licensee's intention to terminate this Agreement on account of one or more specified uncured Defaults, and if such specified Defaults are not cured within sixty (60) days after such notice of intention to terminate, to terminate this Agreement by written notice to Licensor. Upon such termination neither party shall have any further obligations

hereunder, except for those which are accrued but unpaid on the date of termination.

9. Licensee Default. It shall be a default by Licensee hereunder if Licensee shall fail to pay the License Fees within thirty (30) business days after receipt of written notice of such failure.

10. Transfers. The license granted by this Agreement may be assigned by Licensee. Licenser may transfer or assign its rights and obligations under this Agreement insofar as they relate to the operation of the Hotel-Conference Center only in conjunction with a sale of the Hotel-Conference Center, provided the transferee/assignee shall assume all of Licenser's obligations hereunder with respect to the Hotel-Conference Center. The license granted by this Agreement shall run with the land and benefit and burden the successors and assigns of Licensee and Licenser.

11. Mortgage Subordination and Attornment. Licensee (a) accepts this License subject and subordinate to any mortgage, or other lien presently existing or hereafter arising on the Hotel, and (b) agrees to attorn to the rights of any holder of any mortgage, ground lease or other lien, provided that such holder agrees that (x) it will not disturb the possession of Licensee under this Agreement upon any judicial or non-judicial foreclosure or upon acquiring title to the Hotel, by deed-in-lieu of foreclosure, or otherwise, and (y) it will accept the attornment of Licensee thereafter, so long as Licensee is not in default under this Agreement. Licensee agrees to execute, from time to time, documentation with regard to this subordination and attornment as necessary, on such commercially reasonable form as any such mortgagee may reasonably require, provided that it shall not materially reduce Licensee's rights nor increase Licensee's obligations hereunder, provided that any such holder delivers documentation evidencing such holder's agreement not to disturb Licensee.

12. Notices. All notices or other communications required or desired to be given with respect to this Agreement shall be in writing and shall be delivered by hand or by courier service, sent by registered or certified mail, return receipt requested, bearing adequate postage, or sent by nationally recognized overnight delivery service, or sent by facsimile, and properly addressed as provided below. Each notice given by mail shall be deemed to be given by the sender when received or refused by the party intended to receive such notice; each notice delivered by hand or by courier service shall be deemed to have been given and received when actually received by the party intended to receive such notice or when such party refuses to accept delivery of such notice; each notice given by overnight delivery service shall be deemed to have been given and received on the next business day following deposit thereof with the overnight delivery company; and each notice given by facsimile shall be deemed to have been given and received upon transmission, provided confirmation of receipt is received back by the sending facsimile prior to 5:00 p.m. local time at the sending location, or on the next business day if after 5:00 p.m. local time at the sending location. Upon a change of address by either party, such party shall give written notice of such change to the other parties in accordance with the foregoing. Inability to deliver because of changed address or status of which notice was given shall be deemed to be receipt of the notice sent, effective as of the date such notice would otherwise have been received.

To Licensee: **Lawton Economic Development Authority**
212 SW 9th St.
Lawton, OK 73501
Attn: Larry Mitchell, Executive Director

To Licensor: **Lawton Lodging, LLC**
7701 N Lamar, Suite 100
Austin, TX 78752
Attn: Sam Kumar, Manager

With a copy to: **Partners in Development**
409 Orchid Lane
Palm Harbor, FL
Attn: Pete Dekalb

13. Contingency. This Agreement is contingent upon and subject to (a) prior authorizations and the performance of conditions precedent required by applicable law and agreements, including but not limited to approval by the Lawton City Council, as well as (b) receipt of opinions of note counsel and development counsel acceptable to the parties.

14. Non-renewal of hotel occupancy tax. In the event that the hotel occupancy tax levied pursuant to Article 10-12, Chapter 10 of the Code of Lawton, Oklahoma, 2005, is not renewed or extended by the electors of the City and expires on April 30, 2016, Licensee and Licensor agree that the License Fees shall continue to be paid by Licensee, under the terms and conditions established by this Agreement, as if the hotel occupancy tax had not expired. Licensor shall continue to prepare a Hotel Tax Return, or similar report containing the information necessary to calculate the License Fee due and payable.

15. Miscellaneous. Licensee and Licensor warrant and represent that each has due power and authority to enter into this Agreement and perform its obligations hereunder, and that the person signing for it has been duly authorized to do so. This Agreement maybe executed in any number of counterparts, each of which shall be deemed an original and constitute one and the same instrument. This Agreement embodies the complete agreement of the parties, superseding all oral or written previous and contemporary agreements relating to the matters in this Agreement, and except as otherwise provided herein cannot be modified without written agreement of the parties.

LICENSOR:

LAWTON LODGING, LLC,
a Texas limited liability company

By: [Signature]
Title: manager
Date: August 29, 2012

ACKNOWLEDGEMENT

STATE OF TEXAS,)
) ss.
COUNTY OF TRAVIS.)

Before me, a Notary Public in and for said State, on this 29th day of August, 2012, personally appeared Sam Kumar, to me known to be the identical person who subscribed the name of Lawton Lodging, LLC, to the foregoing instrument as its Manager 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 LAWTON LODGING, LLC, for the uses and purposes therein set forth.

WITNESS my hand and official seal the day and year last above written.

[Signature]
NOTARY PUBLIC

(Seal)



LAWTON ECONOMIC DEVELOPMENT AUTHORITY, an Oklahoma public trust

ACKNOWLEDGEMENT

Before me, a Notary Public in and for said State, on this 29th day of August, 2012, personally appeared Fred Fitch, to me known to be the identical person who subscribed the name of the Lawton Economic Development Authority to the foregoing instrument as its Chairman 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 the LAWTON ECONOMIC DEVELOPMENT AUTHORITY, for the uses and purposes therein set forth.

Annex Ezzell
NOTARY PUBLIC

01005260
3-27-2013