AGENDA
Lawton Economic Development Authority
Special Meeting
August 22, 2024—2:00 PM
City Attorney's Conference Room
City Hall - 212 SW 9th Street
Lawton, Oklahoma 73501

— PUBLIC POSTING —
LAWTON CITY HALL
RECEIVED DATE/TIME 8/21/2024 @ 9:15AM
BY: City Clerk's Office

MEETING CALLED TO ORDER/ROLL CALL

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

BUSINESS ITEMS

1. Consider approving the minutes of the July 18, 2024 meeting.

2. Receive the June 2024 Financial Report from Hatch Croke & Associates, P.C., and take action as deemed necessary.

3. Consider approving a Function Space License Agreement by and between the Lawton Economic Development Authority, a public trust and Lawton Lodging, LLC, a Texas limited liability company.

REPORTS

1. Receive a report from the LEDA Executive Director
   a. Groundbreaking
   b. Ribbon Cutting
   c. STEM
   d. September Note Payment

EXECUTIVE SESSION

1. Pursuant to Section 307C.11, Title 25, Oklahoma Statutes, consider convening in executive session for purpose of conferring on matters pertaining to economic development, including the transfer of property, financing, and the creation of a proposal to entice a business to locate within their jurisdiction if the public disclosure of which would violate the confidentiality of prospective business entities, and if necessary, take appropriate action in open session.

ADJOURNMENT

MINUTES
Lawton Economic Development Authority
Regular Meeting
July 18, 2024—2:00 PM
3rd Floor Conference Room
City Hall - 212 SW 9th Street
Lawton, Oklahoma 73501

Chairman Fitch called the meeting to order at 2:00 PM. in the 3rd floor conference room of City Hall.

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

Meeting notice and agenda were posted by the City Clerk's Office as required by State Law.

ROLL CALL:

PRESENT: Fred Fitch, Randy Warren, Ron Nance, Larry Neal, David Means, Ernest Sheppard

ABSENT: George Gill, David Madigan, Jason Hensley

OTHERS PRESENT: Richard Rogalski, LEDA Executive Director; John Andrew, City Attorney; Tammy Branstetter, City Clerk's Office; Charlotte Brown, Community Services Director; Scott Hatch, Hatch, Croke & Associates, PC; Matthew Modeste, Hatch, Croke & Associates, PC

BUSINESS ITEMS

1. Consider approving the minutes of the June 20, 2024 meeting.

Motion by Neal, **Second** by Means, to approve the minutes of the June 20, 2024 meeting. **AYE:** Fitch, Warren, Means, Nance, Neal, Sheppard. **NAY:** None. ***Motion Passed.***

2. Receive the May 2024 Financial Report from Hatch Croke & Associates, P.C., and take action as deemed necessary.

Matthew Modeste, Hatch Croke & Associates, P.C., presented the May 2024 Financial Report, which includes the following financial statements:

- Statement of Net Position dated May 31, 2024
- Statement of Revenue and Expenses – Combined for the Period Ended May 31, 2024
- Statement of Cash Flows for the Period Ended May 31, 2024
- Statement of Revenue and Expenses – Operations for the Period Ended May 31, 2024
- Statement of Revenue and Expenses – TIF District 1 for the Period Ended May 31, 2024
- Statement of Revenue and Expenses – TIF District 2 for the Period Ended May 31, 2024
- Statement of Revenue and Expenses – TIF District 3 for the Period Ended May 31, 2024
- Statement of Revenue and Expenses – TIF District 4 for the Period Ended May 31, 2024

A copy of the May 2024 Financial Report may be obtained from the City Clerk's Office upon request.

Chairman Fitch said he appreciates all the hard work that Scott Hatch's Office has put into taking over management of the Authority's financials.

Rogalski said he appreciates how the financial report was put together in a very logical way. He said he values the knowledge and expertise of the staff at Hatch's Office.

Motion by Warren, **Second** by Means, to accept the May 2024 Financial Report from Hatch Croke & Associates, P.C. as presented. **AYE:** Fitch, Warren, Means, Nance, Neal, Sheppard. **NAY:** None. ***Motion Passed.***

3. Consider approving the apportionment of revenues received for TIF 3 and TIF 4, to include corrections to past apportionments, and take action as deemed necessary.

Rogalski gave background information on this item. He provided Authority members with the TIF Funds Distribution Report dated July 18, 2024. A copy of this Report may be obtained from the Clerk's Office upon request.

Rogalski said that this is the first TIF Funds Distribution Report to be brought before the Authority for approval. He said this will be the most complex TIF Funds Distribution Report because it's dealing with all of the past calculations and interest. Rogalski said that going forward, the Authority will be distributing TIF funds on a monthly basis, so there won't be a need for interest calculations. He said TIF distributions were made on 5/1/2023 and 10/24/2023. He noted that the formula used for calculating the distributions has changed a bit due to the fluctuating millage rate. Because of this, calculation errors have been discovered that need to be corrected. Rogalski said he has now ensured the appropriate millage rate has been used for these calculations.

Rogalski said there was just one small correction for Cache School District. For the next distribution error, there was the same minor calculation distribution issue along with two other issues. The first issue is that the interest hadn't been separated as it should have been. This resulted in the over apportionment of $2,000 worth of interest. The second issue was that all the money was applied to the same tax year when it should have been applied to two tax years, and the millage rates are slightly different for each of the tax years.

Rogalski said for the current apportionment, there is approximately $1.2 million in receipts, and he apportioned a little less than $4,000 for interest. The total distribution adds up to $1.219 million.

Rogalski said for TIF District 4, there were no past miscalculations to address. However, interest has been factored into the distribution. Rogalski noted that interest will not be a factor in the future because TIF distribution payments will be made on a monthly basis.

Rogalski said the reason it's important for the Authority to approve the apportionment of revenues received for TIF 3 and TIF 4 is because technically there isn't anything in writing stating the Authority must distribute interest. However, because the Authority wasn't timely on these distributions, Rogalski added interest to the apportionments.

Sheppard asked if the interest is moved to a separate bank account.

Rogalski said no – it goes in the same account.

Motion by Warren, **Second** by Nance, to approve the apportionment of revenues received for TIF 3 and TIF 4, to include corrections to past apportionments as presented. **AYE:** Fitch, Warren, Means, Nance, Neal, Sheppard. **NAY:** None. ***Motion Passed.***

4. Discuss a potential STEM funding plan for the Lawton Fort Sill STEM Program and provide direction as necessary.

Rogalski provided background information on this item. Rogalski said he's been informed that the Authority will hold all the STEM funding and will be making distribution payments to the eligible organizations/entities as necessary.

Rogalski said the Authority will not be deciding who gets STEM funding – that will be determined by the STEM Board. The Authority will make STEM distributions according to the STEM Board's approval of expenditures.

Rogalski said STEM is automatically given 10%. The money that's earned in the Cache Public Schools District and the Lawton Public Schools District will be shared proportionately based on the total number of students within their district. Based on this calculation, Cache Public Schools would receive 12.91% and Lawton Public Schools would receive 87.09%.

Rogalski said it's his understanding that the Lawton Public Schools District has endorsed the STEM Board's program, so all the STEM funding that would be attributable to Lawton would go to the Lawton STEM program. The STEM Board approved a budget of $206,000 a year for ten years. Rogalski said our STEM funding according to the STEDI Project Plan is about $140,000 over the 25 years that a TIF District is activated. Rogalski said there is a desire to have a more robust STEM program within the City of Lawton - this would cost a minimum of $206,000. Rogalski said it's being proposed that the Authority apportion 15.29% over a ten-year period to the Lawton STEM program. In 2033, this figure would go down 3.37% a year. Rogalski said the projected revenue would come from TIF 3 and TIF 4. The expectation is that more TIF Districts will be activated over the course of the next twelve years, which would generate additional STEM funding to allow for the continuation of a robust STEM program in Lawton. If the Authority is comfortable with apportioning 15.29% to the Lawton STEM program, Rogalski said he would draft a resolution in which the City Council would direct the Authority to fund the Lawton STEM program in this manner.

Rogalski noted that he spoke with Hatch, Croke & Associates, and they are of the opinion that the STEM funding needs to be held in a separate account, especially considering they are their own entity, and they'll likely receive donations.

Rogalski said he is excited about having the STEM program. He believes it will be a game changer for Lawton. He said making Lawton a STEM City will help the community raise smart kids who are ready for high-level engineering and other technical jobs found at businesses such as the FISTA and Westwin. The hope is for children to both receive their education as well as enter the workforce here in Lawton rather than moving away after college. Rogalski noted that some of this funding will be used for community outreach events designed to get young students excited about math and science.

Neal noted that schools are doing away with their Gifted and Talented programs and they're investing more in STEM.

Warren said he thinks this is a good plan – it will allow for STEM funding to be made available more quickly, which will help if the STEM Board applies for a grant that requires matching funds.

No action was taken on this item.

5. Discuss the distribution of TIF funds remaining after disbursement to STEM and the Taxing Entities and provide direction as necessary.

Chairman Fitch and Rogalski provided background information on this item.

Chairman Fitch said this funding could be used towards CIP project support and public improvements.

Rogalski said he will be taking to Council a resolution that would specify how the City wants the $1.68 million in TIF funds remaining after disbursement to STEM and the Taxing Entities to be distributed. Rogalski noted that the Authority owes the City money, and he anticipates the City will first want their money back.

Chairman Fitch noted that the money will continue to flow in once the Authority has paid all their debts.

Rogalski said in the past the agreement with the Center for Economic Development Law was a co-agreement between the City and the LEDA. The City was paying the bill out of the hotel motel economic development fund and adding it to the Authority's note that goes to the City. Rogalski said he is proposing the Authority pay for this bill going forward out of the TIF funds remaining after disbursement to STEM and the Taxing Entities.

REPORTS

1. Receive a report from the LEDA Executive Director

Rogalski said Westwin expects to be done with construction of the pilot plant by August 15, 2024.

EXECUTIVE SESSION

1. Pursuant to Section 307C.11, Title 25, Oklahoma Statutes, consider convening in executive session for purpose of conferring on matters pertaining to economic development, including the transfer of property, financing, and the creation of a proposal to entice a business to locate within their jurisdiction if the public disclosure of which would violate the confidentiality of prospective business entities, and if necessary, take appropriate action in open session.

Motion by Nance, **Second** by Means, to convene in executive session. **AYE:** Fitch, Warren, Means, Nance, Neal, Sheppard. **NAY:** None. ***Motion Passed.***

The Authority convened in executive session at 2:46 PM and remained in executive session until 3:32 PM. When back in open session, roll call reflected all members present.

No action was taken on this item.

ADJOURNMENT

Motion by Means, **Second** by Nance, to adjourn the July 18, 2024 meeting. **AYE:** Fitch, Warren, Means, Nance, Neal, Sheppard. **NAY:** None. ***MOTION PASSED.***

There being no further business, the meeting adjourned at 3:33 PM.

Financial Statements

of
LAWTON ECONOMIC DEVELOPMENT AUTHORITY
For the Periods Ended June 30, 2024 and 2023

See Accountant's Compilation Report

Hatch, Croke & Associates, P.C.

417 SW C Avenue
Lawton, OK 73501

Certified Public Accountants
(580) 353-2122
Fax: (580) 353-2178

To Board of Directors
LAWTON ECONOMIC DEVELOPMENT AUTHORITY
Lawton, Oklahoma

Management is responsible for the accompanying financial statements of LAWTON ECONOMIC DEVELOPMENT AUTHORITY (an Oklahoma Public Trust), component unit of the City of Lawton, Oklahoma, which comprise the statement of net position as of June 30, 2024, and the related statement of revenue and expenses for the 1 month and 12 months ended June 30, 2024, and the related statement of cash flows for the 1 month and 12 months ended June 30, 2024 in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with the Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

Management has elected to omit substantially all the disclosures, management discussion and analysis (MD&A), statement of changes in net assets, and required supplementary information required by accounting principles generally accepted in the United States of America. If the omitted disclosures and statements were included in the financial statements, they might influence the user's conclusions about the Organization's net position, changes in net assets, and cash flows. Accordingly, the financials statements are not designed for those who are not informed about such matters.

Supplementary Information

The supplementary information contained in the departmental statements of revenue and expenses for the 1 month and 12 months ended June 30, 2024 are presented for purposes of additional analysis and are not a required part of the basis financial statements. This information is the representation of management. The information was subject to our compilation engagement, however, we have not audited or reviewed the supplementary information and, accordingly, do not express an opinion, a conclusion, nor provide any form of assurance on such supplementary information.

Other Matters

While the financial statements are compiled in accordance with accounting principles generally accepted in the United States of America, their presentation is not.

We are not independent with respect to LAWTON ECONOMIC DEVELOPMENT AUTHORITY.

Hatch, Croke & Associates, P.C.

Hatch, Croke & Associates, P.C.
Lawton, Oklahoma
August 8, 2024

LAWTON ECONOMIC DEVELOPMENT AUTHORITY
Statement of Net Position
June 30, 2024

ASSETS

Current Assets		
Cash-IBC TIF 1 #5500	$ 431,635.40	
Cash-IBC TIF 2 #0944	55.08	
Cash-CNB TIF 3 #7680	4,236,890.67	
Cash-Arvest TIF 2 Escrow #6585	85,507.03	
Cash-BOK TIF2 #33-8 Restricted	1,382,339.63	
A/R COL - Hotel/Motel Tax	94,211.00	
Sales & Use Tax Receivable	200,416.94	
Property Tax Receivable TIF 1	41,191.50	
Property Tax Receivable TIF 3	284,896.78	
A/R-State Matching Curr Yr	1,034,525.08	
A/R-State Matching Pr Yrs	512,772.89	
Total Current Assets		$ 8,304,442.00
Fixed Assets		
Land - Town Center Lot 3 & 8	2,654,679.00	
Land - SW Bishop Rd 40 Acres	1,000,000.00	
Total Fixed Assets		3,654,679.00
Other Assets		
N/R - Westwin Elements	1,191,099.03	
Total Other Assets		1,191,099.03
Total Assets		$ 13,150,220.03

LAWTON ECONOMIC DEVELOPMENT AUTHORITY
Statement of Net Position
June 30, 2024

LIABILITIES AND EQUITY

Current Liabilities				
Accounts Payable	$	8,310.00		
Accrued Interest Payable		200,152.32		
TIF 3 Distributions Payable		90,110.04		
TIF 4 Distributions Payable		14,579.97		
Total Current Liabilities			$	313,152.33
Long Term Liabilities				
N/P - CCIDA Westwin Project		2,000,000.00		
N/P - Truist Financial		24,310,000.00		
Payable to LURA-downtown plan		466,392.25		
Payable to LEDC-TIF4 Incentive		160,000.00		
Payable to COL-TIF4 Incentives		570,339.98		
Payable to COL - downtown plan		414,322.00		
Payable to COL - STEDI Expense		421,854.35		
Payable to COL-Westwin Project		1,000,000.00		
TIF2 Bricktown Brewery Escrow		85,507.03		
Total Long Term Liabilities				29,428,415.61
Net Position				
Net Position-Rest(BOK Cash)		1,382,339.63		
Net Position-Rest(Lawton STEM)		16,450.06		
Net Position-Rest(Cache STEM)		234,939.00		
Net Position - Unrestricted		(22,873,939.31)		
Current Income (Loss)		4,648,862.71		
Total Net Position				(16,591,347.91)
Total Liabilities & Equity			$	13,150,220.03

LAWTON ECONOMIC DEVELOPMENT AUTHORITY
Statement of Revenue and Expenses - Combined
For the Periods Ended June 30, 2024 and 2023

	1 Month Ended Jun. 30, 2024	Pct	1 Month Ended Jun. 30, 2023	Pct	12 Months Ended Jun. 30, 2024	Pct	12 Months Ended Jun. 30, 2023	Pct
Revenue								
Hotel/Motel Tax	$ 94,211.00	9.36	$ 0.00	0.00	$ 94,211.00	1.73	$ 0.00	0.00
State of OK Matching Funds	116,897.07	11.61	0.00	0.00	1,034,525.08	18.95	0.00	0.00
Property Tax Income	733,989.44	72.93	0.00	0.00	2,619,767.89	47.99	0.00	0.00
Sales and Use Tax	61,339.07	6.09	0.00	0.00	710,238.08	13.01	0.00	0.00
CCIDA Contribution - Land	0.00	0.00	0.00	0.00	1,000,000.00	18.32	0.00	0.00
Total Revenue	1,006,436.58	100.00	0.00	0.00	5,458,742.05	100.00	0.00	0.00
Operating Expenses								
Bank Charges	0.00	0.00	0.00	0.00	8,955.00	0.16	0.00	0.00
Interest Expense	50,038.10	4.97	0.00	0.00	659,200.97	12.08	0.00	0.00
Mowing/Debris Removal	2,640.00	0.26	0.00	0.00	5,820.00	0.11	0.00	0.00
Office Expense	0.00	0.00	0.00	0.00	128.31	0.00	0.00	0.00
Professional Fees - Accountin	0.00	0.00	0.00	0.00	3,700.00	0.07	0.00	0.00
Professional Fees - Legal	1,890.00	0.19	0.00	0.00	13,787.50	0.25	0.00	0.00
Professional Fees - Other	6,420.00	0.64	0.00	0.00	29,821.94	0.55	0.00	0.00
Rent, Publication, & Printing	0.00	0.00	0.00	0.00	677.54	0.01	0.00	0.00
TIF-Cache Public Schools	5,214.19	0.52	0.00	0.00	39,513.80	0.72	0.00	0.00
TIF-Comanche Cty Commissio	9,873.94	0.98	0.00	0.00	43,395.14	0.79	0.00	0.00
TIF-Comanche County Hlth De	2,474.65	0.25	0.00	0.00	10,859.40	0.20	0.00	0.00
TIF-Great Plains Tech Center	14,716.52	1.46	0.00	0.00	64,689.73	1.19	0.00	0.00
TIF - Lawton Public Schools	3,916.49	0.39	0.00	0.00	3,916.49	0.07	0.00	0.00
Total Operating Expens	97,183.89	9.66	0.00	0.00	884,465.82	16.20	0.00	0.00
Operating Income	909,252.69	90.34	0.00	0.00	4,574,276.23	83.80	0.00	0.00
Interest Income	8,115.59	0.81	0.00	0.00	74,586.48	1.37	0.00	0.00
Total Other Income	8,115.59	0.81	0.00	0.00	74,586.48	1.37	0.00	0.00
Net Income (Loss)	$ 917,368.28	91.15	$ 0.00	0.00	$ 4,648,862.71	85.16	$ 0.00	0.00

LAWTON ECONOMIC DEVELOPMENT AUTHORITY
Statement of Cash Flows
For the Period Ended June 30, 2024
INCREASE (DECREASE) IN CASH OR CASH EQUIVALENTS

	1 Month Ended Jun. 30, 2024	12 Months Ended Jun. 30, 2024
Cash Flow from Operating Activities		
Net Income (Loss)	$ 917,368.28	$ 4,648,862.71
Adjustments to Reconcile Cash Flow		
Decrease (Increase) in Current Assets		
A/R COL - Hotel/Motel Tax	(94,211.00)	(94,211.00)
Sales & Use Tax Receivable	(61,339.07)	(19,752.21)
Property Tax Receivable TIF 1	(5,578.79)	(23,068.35)
Property Tax Receivable TIF 2	2.00	0.00
Property Tax Receivable TIF 3	(230,462.22)	112,324.18
A/R-State Matching Curr Yr	(116,897.07)	(1,034,525.08)
A/R-State Matching Pr Yrs	0.00	507,747.05
Increase (Decrease) in Current Liabilities		
Accounts Payable	(860.00)	7,930.00
Accrued Interest Payable	50,038.10	41,330.47
TIF 3 Distributions Payable	36,170.31	90,110.04
TIF 4 Distributions Payable	25.48	14,579.97
Total Adjustments	(423,112.26)	(397,534.93)
Cash Provided (Used) by Operations	494,256.02	4,251,327.78
Cash Flow From Investing Activities		
Sales (Purchases) of Assets		
Land - SW Bishop Rd 40 Acres	0.00	(1,000,000.00)
N/R - Westwin Elements	0.00	(1,191,099.03)
Cash Provided (Used) by Investing	0.00	(2,191,099.03)
Cash Flow From Financing Activities		
Cash (Used) or provided by:		
N/P - CCIDA Westwin Project	0.00	2,000,000.00
N/P - Truist Financial	0.00	(1,410,000.00)
Payable to COL-Westwin Project	0.00	1,000,000.00
TIF2 Bricktown Brewery Escrow	140.33	(12,265.02)
Cash Provided (Used) by Financing	140.33	1,577,734.98
Net Increase (Decrease) in Cash	494,396.35	3,637,963.73
Cash at Beginning of Period	5,642,031.46	2,498,464.08
Cash at End of Period	$ 6,136,427.81	$ 6,136,427.81

LAWTON ECONOMIC DEVELOPMENT AUTHORITY
Statement of Revenue and Expenses - Operations
For the Periods Ended June 30, 2024 and 2023

	1 Month Ended Jun. 30, 2024	Pct	1 Month Ended Jun. 30, 2023	Pct	12 Months Ended Jun. 30, 2024	Pct	12 Months Ended Jun. 30, 2023	Pct
Revenue								
CCIDA Contribution - Land	$ 0.00	0.00	$ 0.00	0.00	$ 1,000,000.00	100.00	$ 0.00	0.00
Total Revenue	0.00	0.00	0.00	0.00	1,000,000.00	100.00	0.00	0.00
Operating Expenses								
Bank Charges	0.00	0.00	0.00	0.00	8,955.00	0.90	0.00	0.00
Interest Expense	50,038.10	0.00	0.00	0.00	659,200.97	65.92	0.00	0.00
Mowing/Debris Removal	2,640.00	0.00	0.00	0.00	5,820.00	0.58	0.00	0.00
Office Expense	0.00	0.00	0.00	0.00	128.31	0.01	0.00	0.00
Professional Fees - Accountin	0.00	0.00	0.00	0.00	3,700.00	0.37	0.00	0.00
Professional Fees - Legal	1,890.00	0.00	0.00	0.00	13,787.50	1.38	0.00	0.00
Professional Fees - Other	6,420.00	0.00	0.00	0.00	29,821.94	2.98	0.00	0.00
Rent, Publication, & Printing	0.00	0.00	0.00	0.00	677.54	0.07	0.00	0.00
Total Operating Expens	60,988.10	0.00	0.00	0.00	722,091.26	72.21	0.00	0.00
Operating Income	(60,988.10)	0.00	0.00	0.00	277,908.74	27.79	0.00	0.00
Interest Income	8,115.59	0.00	0.00	0.00	74,586.48	7.46	0.00	0.00
Total Other Income	8,115.59	0.00	0.00	0.00	74,586.48	7.46	0.00	0.00
Net Income (Loss)	$ (52,872.51)	0.00	$ 0.00	0.00	$ 352,495.22	35.25	$ 0.00	0.00

LAWTON ECONOMIC DEVELOPMENT AUTHORITY
Statement of Revenue and Expenses-TIF District 1
For the Periods Ended June 30, 2024 and 2023

	1 Month Ended Jun. 30, 2024	Pct	1 Month Ended Jun. 30, 2023	Pct	12 Months Ended Jun. 30, 2024	Pct	12 Months Ended Jun. 30, 2023	Pct
Revenue								
Property Tax Income	$ 41,191.50	100.00	$ 0.00	0.00	$ 327,635.51	100.00	$ 0.00	0.00
Total Revenue	41,191.50	100.00	0.00	0.00	327,635.51	100.00	0.00	0.00
Operating Expenses								
Operating Income	41,191.50	100.00	0.00	0.00	327,635.51	100.00	0.00	0.00
Net Income (Loss)	$ 41,191.50	100.00	$ 0.00	0.00	$ 327,635.51	100.00	$ 0.00	0.00

LAWTON ECONOMIC DEVELOPMENT AUTHORITY
Statement of Revenue and Expenses-TIF District 2
For the Periods Ended June 30, 2024 and 2023

	1 Month Ended Jun. 30, 2024	Pct	1 Month Ended Jun. 30, 2023	Pct	12 Months Ended Jun. 30, 2024	Pct	12 Months Ended Jun. 30, 2023	Pct
Revenue								
Hotel/Motel Tax	$ 94,211.00	13.85	$ 0.00	0.00	$ 94,211.00	3.39	$ 0.00	0.00
State of OK Matching Funds	116,897.07	17.18	0.00	0.00	1,034,525.08	37.20	0.00	0.00
Property Tax Income	407,901.16	59.95	0.00	0.00	942,362.16	33.88	0.00	0.00
Sales and Use Tax	61,339.07	9.02	0.00	0.00	710,238.08	25.54	0.00	0.00
Total Revenue	680,348.30	100.00	0.00	0.00	2,781,336.32	100.00	0.00	0.00
Operating Expenses								
Operating Income	680,348.30	100.00	0.00	0.00	2,781,336.32	100.00	0.00	0.00
Net Income (Loss)	$ 680,348.30	100.00	$ 0.00	0.00	$ 2,781,336.32	100.00	$ 0.00	0.00

LAWTON ECONOMIC DEVELOPMENT AUTHORITY
Statement of Revenue and Expenses-TIF District 3
For the Periods Ended June 30, 2024 and 2023

	1 Month Ended Jun. 30, 2024	Pct	1 Month Ended Jun. 30, 2023	Pct	12 Months Ended Jun. 30, 2024	Pct	12 Months Ended Jun. 30, 2023	Pct
Revenue								
Property Tax Income	$ 284,896.78	100.00	$ 0.00	0.00	$ 1,185,557.22	100.00	$ 0.00	0.00
Total Revenue	284,896.78	100.00	0.00	0.00	1,185,557.22	100.00	0.00	0.00
Operating Expenses								
TIF-Cache Public Schools	9,123.84	3.20	0.00	0.00	39,513.80	3.33	0.00	0.00
TIF-Comanche Cty Commissio	9,867.14	3.46	0.00	0.00	39,504.72	3.33	0.00	0.00
TIF-Comanche County Hlth De	2,472.94	0.87	0.00	0.00	9,885.84	0.83	0.00	0.00
TIF-Great Plains Tech Center	14,706.39	5.16	0.00	0.00	58,890.23	4.97	0.00	0.00
Total Operating Expens	36,170.31	12.70	0.00	0.00	147,794.59	12.47	0.00	0.00
Operating Income	248,726.47	87.30	0.00	0.00	1,037,762.63	87.53	0.00	0.00
Net Income (Loss)	$ 248,726.47	87.30	$ 0.00	0.00	$ 1,037,762.63	87.53	$ 0.00	0.00

LAWTON ECONOMIC DEVELOPMENT AUTHORITY
Statement of Revenue and Expenses-TIF District 4
For the Periods Ended June 30, 2024 and 2023

	1 Month Ended Jun. 30, 2024	Pct	1 Month Ended Jun. 30, 2023	Pct	12 Months Ended Jun. 30, 2024	Pct	12 Months Ended Jun. 30, 2023	Pct
Revenue								
Property Tax Income	$ 0.00	0.00	$ 0.00	0.00	$ 164,213.00	100.00	$ 0.00	0.00
Total Revenue	0.00	0.00	0.00	0.00	164,213.00	100.00	0.00	0.00
Operating Expenses								
TIF-Cache Public Schools	(3,909.65)	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TIF-Comanche Cty Commissio	6.80	0.00	0.00	0.00	3,890.42	2.37	0.00	0.00
TIF-Comanche County Hlth De	1.71	0.00	0.00	0.00	973.56	0.59	0.00	0.00
TIF-Great Plains Tech Center	10.13	0.00	0.00	0.00	5,799.50	3.53	0.00	0.00
TIF - Lawton Public Schools	3,916.49	0.00	0.00	0.00	3,916.49	2.39	0.00	0.00
Total Operating Expens	25.48	0.00	0.00	0.00	14,579.97	8.88	0.00	0.00
Operating Income	(25.48)	0.00	0.00	0.00	149,633.03	91.12	0.00	0.00
Net Income (Loss)	$ (25.48)	0.00	$ 0.00	0.00	$ 149,633.03	91.12	$ 0.00	0.00

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 in Section 2 below).

RECITALS

A. Licensor acquired 6.6 acres more or less of real property (the "Land") located at 135 NW 2nd Street in Lawton, Oklahoma (Lot 3, Block 1, Lawton Downtown Center, Part 1), and, pursuant to a Hotel-Conference Center Redevelopment Agreement with LEDA, dated April 12, 2012, constructed thereon the Hilton Garden Inn and Convention Center with 162 guest rooms, and 21,500 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"). The flexible meeting space, including the ballroom, pre-function space, and boardroom, located in the Conference Center are referred to herein as the "Function Space."

B. Licensee and Licensor entered into an agreement on August 29, 2012, providing Licensee and the City of Lawton ("City"), as well as individuals and entities authorized by Licensee to use the Function Space (collectively, "LEDA"), the irrevocable right and license to use the Function Space for a term of one hundred and twenty (120) months following the opening of the Hotel-Conference Center for business.

C. The successful operation of a quality conference center and related hotel and hospitality facilities is vital to boosting conventions and tourism through initiatives of the Lawton/Ft. Sill Chamber of Commerce, which will play a key role in advancing the objectives of the Amended Lawton Downtown Economic Development Project Plan adopted by the City on August 21, 2012, as thereafter amended from time to time ("Project Plan"), to revitalize downtown Lawton, attract new business, and stimulate private investment.

D. Licensor entered into a Promissory Note and Settlement Agreement dated May 1, 2022 setting forth, among other things, certain obligations related to maintaining ownership of the Hotel-Conference Center, maintaining the current membership of Lawton Lodging LLC, retention of the Hilton brand name and operating reservation system, and a commitment to make any additional investments required to ensure the relationship and the quality operation of the Hotel-Conference Center, and said obligations remain in full force and effect.

E. Licensee and Licensor desire to enter into a new Function Space License Agreement providing LEDA 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 the 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 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 or its designees.

2. Term. The Term of this Agreement shall be for a period commencing upon August 1, 2024 (the "Commencement Date") and extending through July 31, 2034.

3. License Fees. In consideration of Licensee's license to use the Function Space, Licensee shall pay Licensor license fees in an amount not to exceed Two Million Four Hundred Thousand Dollars ($2,400,000.00), payable over ten years, as of the Commencement Date, and 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 that Licensee is obligated to pay hereunder exceed the lesser of: (a) Two Million Four Hundred Thousand Dollars ($2,400,000.00) or (b) two-thirds (2/3) of 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 payable by Licensee solely from funds apportioned pursuant to the 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 as otherwise provided in Paragraph 5. 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 or its authorized designees shall be entitled to (i) free room rental (Great Plains, or an approved equivalent) and the provision of food and beverages at a discounted rate of fifty percent (50%) for the Lawton Fort Sill Chamber of Commerce (the "Chamber") Annual Banquet, (ii) subject to availability, one (1) complimentary suite to be used by the meeting planner or a designated VIP for each event at the Hotel Conference Center resulting from the efforts of the Chamber and banquet guests utilizing a minimum of thirty (30) rooms per night, (iii) happy hour for up to twenty-five (25) people, including meeting space, Chef's choice of hors d'oeuvres (four items per person), and a cash bar up to six (6) times per year for meeting planners invited by the Chamber for the purpose of soliciting new events at the Hotel Conference Center, (iv) happy hour for up to twenty-five (25) people, including meeting space, Chef's choice of hors d'oeuvres (four items per person), and a cash bar four (4) times per year for quarterly meeting planner events hosted by the Chamber to encourage tourism and to appeal to non-local meeting planners; and (v) complimentary meeting space (Great Plains A, Great Plains B, Great Plains AB, or an approved equivalent) for monthly luncheons up to twelve (12) times per year. 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, 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 shall be retained in a

secure, digital, and retrievable format; 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 the Hotel Occupancy Tax increment from the City of Lawton, and receipt of written notice of such failure from Licensor.

10. Transfers. The license granted by this Agreement may be assigned by Licensee. Licensor 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 Licensor'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 Licensor.

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, 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. 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: Richard Rogalski, Executive Director
To Licensor:	**Lawton Lodging, LLC** 1000 N Lamar, Suite 400 Austin, TX 78703 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 prior authorizations and the performance of conditions precedent required by applicable law and agreements, including but not limited to approval by the Board of Trustees of the Lawton Economic Development Authority.

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, 2031, Licensee and Licensor agree that the License Fees shall cease to be due and payable during the remainder of the term of the agreement or until such time as the hotel occupancy tax is renewed or reinstated.

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 may be 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.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK;
SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, the Licensor has caused this Function Space License Agreement to be duly executed as of the Commencement Date.

LICENSOR:

LAWTON LODGING, LLC,
a Texas limited liability company

By:________________________________
Name: ________________________
Title:_________________________

ACKNOWLEDGEMENT

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

Before me, a Notary Public in and for said State, on this ____ day of ________________, 2024, personally appeared _______________, 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.

____
Notary Public

My Commission Number: __________________
My Commission Expires: __________________

(Seal)

IN WITNESS WHEREOF, the Licensee has caused this Function Space License Agreement to be duly executed as of the Commencement Date.

LICENSEE:

LAWTON ECONOMIC DEVELOPMENT AUTHORITY, a public trust

By:____________________________________
Fred L. Fitch, Chairman

ACKNOWLEDGEMENT

STATE OF OKLAHOMA,)
) ss.
COUNTY OF COMANCHE.)

Before me, a Notary Public in and for said State, on this ____ day of ________________, 2024, personally appeared Fred L. 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.

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

____
Notary Public

My Commission Number: ________________
My Commission Expires: ________________

(Seal)