City of Lawton

Lawton City Hall
212 SW 9th Street
Lawton, Oklahoma

Agenda

Thursday, November 3, 2022

9:00 AM

Lawton City Hall
3rd Floor Conference Room
212 SW 9th Street Lawton, OK

<u>Lawton Economic Development Authority</u>

Call To Order

Roll Call

Statement of Compliance with Oklahoma Open Meeting Act, 25 O.S. 301-314

Introduction of Guests

Business

1. Discuss the pending sale of real property located at Lot One (1), Block One (1), Lawton Downtown Center, Part Two (2), an addition to the City of Lawton, Comanche County, State of Oklahoma, according to the recorded plat thereof, recorded in Plat Book 7, Pages 10-10B, as Document No. 2013000649 in the office of the Comanche County Clerk, Oklahoma. Further discuss whether LEDA's subordinate mortgage on said property has been partially satisfied. Take action as the Authority deems appropriate.

Attachments: Bricktown Brewery Promissory Note

Discussion Items and Reports

Adjournment

City of Lawton

Lawton City Hall
212 SW 9th Street
Lawton, Oklahoma
73501-3944

Commentary

File #: 22-756 **Agenda Date:** 11/3/2022 **Agenda No:** 1.

ITEM TITLE:
Discuss the pending sale of real property located at Lot One (1), Block One (1), Lawton Downtown Center, Part Two (2), an addition to the City of Lawton, Comanche County, State of Oklahoma, according to the recorded plat thereof, recorded in Plat Book 7, Pages 10-10B, as Document No. 2013000649 in the office of the Comanche County Clerk, Oklahoma. Further discuss whether LEDA's subordinate mortgage on said property has been partially satisfied. Take action as the Authority deems appropriate.
INITIATOR: Richard Rogalski, Economic Development Consultant; John Ratliff, City Attorney

STAFF INFORMATION SOURCE: Susan Schlecht, Financial Services

BACKGROUND: The subject land was purchased by Mr. Mike Brown from the Lawton Town Center LLC in 2019. LEDA's mortgage on the property is designed to keep a sit-down restaurant at the location for at least ten years. Mr. Brown entered into a ten-year lease with Bricktown Brewery Inc. shortly after he purchased the property in 2019. Three years into the agreement, Mr. Brown now wants to sell the property but before that can occur LEDA must determine how much of its subordinate mortgage has been satisfied.

EXHIBIT: Bricktown Brewery Promissory Note

KEY ISSUES: N/A

FUNDING SOURCE: N/A

STAFF RECOMMENDED COUNCIL ACTION: Take action as the Authority deems appropriate.

PROMISSORY NOTE

$154,391.00

Lawton, Oklahoma
September 10, 2019

FOR VALUE RECEIVED, FTG BROWN, L.L.C., an Oklahoma limited liability company (the "Borrower"), promises to pay to the order of LAWTON ECONOMIC DEVELOPMENT AUTHORITY, a public trust (the "Lender"), at 212 S.W. 9th Street Lawton, Oklahoma, or at such other place as may be designated in writing by the Lender, the principal sum of ONE HUNDRED FIFTY-FOUR THOUSAND THREE HUNDRED NINETY-ONE and 00/100 DOLLARS ($154,391.00) without interest thereon, subject to the terms and conditions set forth below.

This Note is issued by the Borrower and accepted by the Lender pursuant to that certain Redevelopment Agreement dated the 10th day of September, 2019 entered into by the Borrower and the Lender (the "Agreement"). Unless herein defined, or where the context otherwise requires, all capitalized terms used herein shall have the meaning subscribed to them in the Agreement.

This Note is due and payable in the event of a default of the Operating Covenant, in accordance with the provisions of Paragraph 6.3.1 of the Agreement, but not later than October 23, 2030 (the "Maturity Date"), unless otherwise modified by the agreement of the parties based upon the actual date the Project opens for business, and unless the Operating Covenant is satisfied strictly in accordance with the terms of the Agreement. All the provisions of Paragraphs 2.3.2, 5.6.2 and 6.3.1 of the Agreement shall be incorporated herein as if fully set forth herein.

Any sum not received on or before fifteen (15) days after the Maturity Date will bear interest commencing on the sixteenth (16th) day at the rate of fifteen percent (15%) per annum and will be paid at the time of and as a condition precedent to the curing of any default hereunder. During the existence of any such default, the Lender may apply payments received on any amount due hereunder or under the terms of any instrument now or hereafter evidencing or securing such indebtedness as the Lender may determine. No waiver by Lender of any default under this Note or under the Agreement will be deemed to constitute a waiver of any other or future default.

The Borrower agrees that if, and as often as, this Note is placed in the hands of an attorney for collection or to defend or enforce any of the Lender's rights hereunder the Borrower will pay to such Lender its reasonable attorney's fees and all court costs and other expenses incurred in connection therewith.

This Note is issued by the Borrower, and accepted by the Lender pursuant to the Agreement, executed, delivered and to be performed in Comanche County, Oklahoma and accordingly, the law governing this Agreement shall be Oklahoma law.

IN WITNESS WHEREOF, the undersigned has executed this instrument on the date first above written.

FTG BROWN, L.L.C.
an Oklahoma limited liability company

By: ______________________
Michael Brown, Manager