

MASTER OPERATING AND DEVELOPMENT AGREEMENT

BY AND AMONG

THE CITY OF NORMAN, OKLAHOMA

AND

UNIVERSITY NORTH PARK, LLC

AND

UNIVERSITY TOWN CENTER, LLC

PURSUANT TO THE

NORMAN UNIVERSITY NORTH PARK PROJECT PLAN

DATED AS OF AUGUST 22, 2006

**UNIVERSITY NORTH PARK
MASTER OPERATING AND DEVELOPMENT AGREEMENT**

THIS MASTER OPERATING AND DEVELOPMENT AGREEMENT (the "Agreement") made as of the 22nd day of August, 2006, is entered into by and between **THE CITY OF NORMAN, OKLAHOMA**, an Oklahoma municipal corporation (the "City"), **UNIVERSITY NORTH PARK, LLC**, an Oklahoma limited liability company ("UNP"), which is a wholly-owned subsidiary of the University of Oklahoma Foundation, Inc., an Oklahoma not-for-profit corporation (the "OU Foundation"), and **UNIVERSITY TOWN CENTER, LLC**, an Oklahoma limited liability company (the "Developer"). The City, Developer, and UNP are collectively referred to herein as the "Parties". The Developer and UNP are acting with the support and endorsement of the OU Foundation and the University of Oklahoma, a public body of the State of Oklahoma (the "University"), and the OU Foundation and the University are sometimes referred to herein as the "Supporting Parties".

WITNESSETH:

WHEREAS, the City has adopted and approved the Norman University North Park Project Plan (the "Project Plan") by Ordinance No. O-0506-66 on May 23, 2006 (the "TIF Ordinance"), pursuant to the Oklahoma Local Development Act, Title 62, Oklahoma Statutes, Section 850, *et seq.* as amended (the "Local Development Act"); and

WHEREAS, the City, by virtue of the TIF Ordinance, has created Increment District No. 2, City of Norman (the "Increment District"), pursuant to the Local Development Act; and

WHEREAS, implementation of the Project Plan will generate substantial investment and contribute to the quality of life in the community; and

WHEREAS, the projected investment and development will generate direct and indirect benefits to the City and its citizens; and

WHEREAS, the OU Foundation and the University strongly support and endorse the Project Plan, as evidenced by their execution of this Agreement; and

WHEREAS, implementation of the Project Plan will benefit the OU Foundation which benefits will inure to the exclusive benefit of the University; and

WHEREAS, the City stands to realize significant net direct value solely from commitments to transfer property to or for the benefit of the City or its designees by the Developer and UNP; and

WHEREAS, the purpose of this Agreement is to define the relationships and mutual responsibilities of the Parties for implementation of the Project Plan; and

WHEREAS, capitalized terms shall have the meanings set forth in the Project Plan, the TIF Ordinance, and as defined herein; and

WHEREAS, it is desirable, appropriate, and in the public interest to approve this Agreement to facilitate implementation of the Project Plan.

NOW THEREFORE in consideration of the premises and mutual obligations of the Parties hereto, each of them does hereby covenant and agree with the others as follows:

SECTION 1. DEFINITIONS AND PURPOSE

A. When used herein, the terms below shall have the following definitions:

"**Ad Valorem Tax Increment**" shall mean that portion of the incremental ad valorem tax revenue generated from the Increment District and available for Project Costs pursuant to the Project Plan.

"**Agreement**" shall mean this Master Operating and Development Agreement dated as of August 22, 2006, by and among the Parties.

"**Architectural Review Board**" shall mean the Architectural Review Board for University North Park created pursuant to the University North Park Covenants and Restrictions.

"**Authority**" shall mean the Norman Tax Increment Finance Authority, a public trust having the City as beneficiary thereof.

"**City**" shall mean The City of Norman, Oklahoma, an Oklahoma municipal corporation, acting by and through its City Council.

"**Conference Center**" shall mean the conference center facilities described in Section 11 herein and in the Project Plan.

"**Conference Center and Cultural Facilities Project Costs**" shall mean those costs associated with the Conference Center and other improvements as described in Section IX A.2. of the Project Plan, including any principal, interest, and financing costs associated with the issuance of debt obligations.

"**Design Guidelines**" shall mean the applicable design guidelines for development as may be approved and amended from time to time by the Architectural Review Board and the City, as described in Section 6 herein.

"**Developer**" shall mean University Town Center, LLC, an Oklahoma limited liability company.

"**Development Agreement**" shall mean one or more separate development agreements describing the specific terms on which each component of the Project will be implemented and financed.

"**Economic Development Project Costs**" shall mean those costs associated with economic development opportunities as described in Section IX A.4. of the Project Plan,

including any principal, interest, and financing costs associated with the issuance of debt obligations.

"Economic Development Sales Tax Factor" shall mean (i) thirty percent (30%) (the estimated portion of payrolls spent on transactions subject to sales tax) times (ii) 2.5 (the economic impact factor), and the product of (i) and (ii) multiplied by (iii) thirty-five percent (35%) (which is deemed to be the projected effective benefit rate).

"Economic Development Sales Tax Increment" shall mean the product of (i) New Quality Jobs Payroll in the Increment District during the fiscal year and (ii) the Economic Development Sales Tax Factor, multiplied by (iii) the Non-Dedicated Sales Tax Rate.

"Hotel Owner/Operator" shall mean an entity that proposes to construct and operate a hotel in conjunction with the Conference Center.

"Increment District" shall mean Increment District No. 2, City of Norman created pursuant to the TIF Ordinance and the Local Development Act, generally comprised of the University North Park area.

"Initial Project Activities" shall mean (i) all Traffic and Roadway Improvements, including engineering and (ii) supporting activities necessary to implement the Project Plan.

"Initial Project Activity Costs" shall mean all Project Costs for Initial Project Activities including (i) Traffic and Roadway Improvements Project Costs and related engineering costs, pursuant to Section IX B.1.a. and c. of the Project Plan, (ii) other engineering, legal, and professional costs pursuant to Section IX B.1.c. of the Project Plan, including costs previously and currently incurred by the City for initiation of the Project, as well as professional assistance in the preparation of Development Agreements and financing agreements and professional guidance to implement the Project, and (iii) principal, interest, and financing costs associated with the issuance of debt obligations by the Authority.

"Legacy Park" shall mean the public park facilities described in Section 12 herein and in the Project Plan.

"Legacy Park Endowment" shall mean those funds set aside to facilitate permanent replacement and maintenance, as appropriate, of the facilities constituting Legacy Park.

"Legacy Park Project Costs" shall mean those costs associated with Legacy Park and other improvements as described in Section IX A.1.b. of the Project Plan, including any principal, interest, and financing costs associated with the issuance of debt obligations.

"Lifestyle Center" shall mean the retail shopping development described in Section 13 herein and the in Project Plan.

"Lifestyle Center Project Costs" shall mean those costs associated with the Lifestyle Center and other improvements as described in Section IX A.3. of the Project Plan, including any principal, interest, and financing costs associated with the issuance of debt obligations.

"**Local Development Act**" shall mean the Oklahoma Local Development Act, Title 62, Oklahoma Statutes, Section 850, *et seq.* as amended.

"**Master Plan**" shall mean the master plan or plans for development of the property within the Increment District, as described in Section 6 herein.

"**New Quality Jobs Payroll**" shall mean the aggregate payroll, for each fiscal year, for qualifying employment in the Increment District as determined by the City. The New Quality Jobs Payroll shall include all employment created within the Increment District meeting the requirements of Title 68 Oklahoma Statutes, Section 3601, *et seq.* (whether or not incentives are received from the State of Oklahoma), and such additional employment as determined by the City to qualify for purposes of the Project Plan.

"**Non-Dedicated Sales Tax Rate**" shall mean the aggregate total of three percent (3%) sales tax in effect as of the date of adoption of the TIF Ordinance and the Project Plan.

"**OU Foundation**" shall mean the University of Oklahoma Foundation, Inc., an Oklahoma not-for-profit corporation.

"**Oversight Committee**" shall mean that development oversight committee created by the City and charged with reviewing and making recommendations to the City with respect to certain aspects of the Project, as described in Section 5 herein.

"**Parties**" shall mean the City, the Developer, and UNP.

"**Project**" shall mean the design, financing, and construction of certain improvements, the use of certain Tax Increments, and all other activities contemplated by the Project Plan.

"**Project Costs**" shall mean, generally, all costs authorized by the Project Plan, specifically including costs paid from the Ad Valorem Tax Increment and/or the Sales Tax Increment, as contemplated by the Project Plan, and including but not limited to Initial Project Activity Costs, Traffic and Roadway Improvements Project Costs, Legacy Park Project Costs, Conference Center and Cultural Facilities Project Costs, Lifestyle Center Project Costs, Economic Development Project Costs, and financing costs, including costs of issuance, necessary and appropriate reserves, and payment of principal and interest.

"**Project Plan**" shall mean the Norman University North Park Project Plan adopted and approved by the City on May 23, 2006, pursuant to the TIF Ordinance and the Local Development Act.

"**PUD**" shall mean the Planned Unit Development adopted by the City on August 27, 2002, as amended, relating to University North Park.

"**Retail Sales Tax Increment**" shall mean the product of (i) transactions within the Increment District during the fiscal year subject to City sales tax multiplied by (ii) the Non-Dedicated Sales Tax Rate minus (iii) the Total Transfer Adjustments.

"Sales Tax Increment" shall mean that portion of (i) the Retail Sales Tax Increment and (ii) the Economic Development Sales Tax Increment available for Project Costs pursuant to the Project Plan.

"Supporting Parties" shall mean the OU Foundation and the University.

"Tax Increment" shall mean collectively the Sales Tax Increment and the Ad Valorem Increment.

"TIF Ordinance" shall mean Ordinance No. O-0506-66 of the City adopted on May 23, 2006, establishing the Increment District and adopting the Project Plan.

"Traffic and Roadway Improvements" shall mean the traffic improvements described in Section 10 herein and in the Project Plan, as specified in the Traffic Impact Study Summary Report, prepared by Traffic Engineering Consultants, dated July 25, 2005, as amended January 6, 2006, and as may be further amended from time to time.

"Traffic and Roadway Improvements Project Costs" shall mean those costs associated with the Traffic and Roadway Improvements and other improvements as described in Section IX A.1.a. of the Project Plan, together with associated fees as described in Section IX A.1.c. of the Project Plan, including any principal, interest, and financing costs associated with the issuance of debt obligations by the Authority.

"Transfer Adjustments" shall mean for each retail business which relocates from a location within the City to a location within the Increment District, an amount equal to: (i) (a) the transactions subject to City sales taxes during the last twelve (12) full calendar months at the former location multiplied by (b) the Non-Dedicated Sales Tax Rate; reduced by the product of (ii) (a) the transactions subject to sales tax at the former location during the current fiscal year multiplied by (b) the Non-Dedicated Sales Tax Rate.

"Total Transfer Adjustments" shall mean the sum of all Transfer Adjustments.

"University" shall mean the University of Oklahoma, a public body of the State of Oklahoma.

"University North Park" shall mean, generally, the area bordered by I-35 on the west, Tecumseh Road on the north, Max Westheimer Airpark on the east, and Robinson Street on the south, and comprising the Increment District.

"University North Park Covenants and Restrictions" shall mean that certain First Amended and Restated Declaration of Covenants and Restrictions dated March 10, 2006, duly recorded in the records of the Cleveland County Clerk at Book 4145, Page 213, and pertaining to University North Park, as said Declaration may be supplemented or amended from time to time as provided therein.

"UNP" shall mean University North Park, LLC, an Oklahoma limited liability company, which is a wholly-owned subsidiary of the OU Foundation.

B. The purpose of the Agreement is to establish the relationship of the Parties, to prescribe responsibilities, and to establish the processes for approvals and actions necessary to achieve the objectives of the Project Plan.

SECTION 2. SCOPE OF THE PROJECT

The Project Plan contemplates economic development of the Project area including the design, financing, and construction of certain improvements and the use of certain Tax Increment revenues pursuant to the Local Development Act, all through the cooperative efforts of the Parties in accordance with the Project Plan. The Project will be financed from a combination of public and private sources, including apportionment of Ad Valorem Tax Increments and Sales Tax Increments. It will require a combination of public and private actions for implementation. To facilitate the Project, the Parties intend to enter into this Agreement to establish a framework for implementing the Project and, as further described below, to enter into one or more separate Development Agreements describing the specific terms on which components of the Project will be implemented and financed.

SECTION 3. RELATIONSHIP OF THE PARTIES

The undertaking of the Project is a complex process, which will require the mutual agreement of the Parties and their timely actions on matters appropriate or necessary to Project implementation. The Parties shall use their best efforts in good faith to perform and assist others in performing their respective obligations under this Agreement and the Development Agreements.

In order to facilitate the working relationship between the Parties, each will designate and authorize a representative to evidence contract approvals, plan approvals, performance approvals, and payment approvals pursuant to this Agreement, the Development Agreements, and other supplemental agreements with respect to the Project.

The Parties acknowledge and confirm that pursuant to Section VII C. of the Project Plan and Section 13(b) of the TIF Ordinance, the City Manager or his successor in office is designated as such representative in charge of the implementation of the Project Plan and all legal and related services in connection with the preparation of Development Agreements and financing agreements. The City Manager is authorized and directed to take such actions as may be appropriate to qualify eligible Project Costs for reimbursement and obtain any such assistance as may be desirable to facilitate effective Project administration with minimum cost to the City.

SECTION 4. OTHER GOVERNMENTAL APPROVALS

The implementation of the Project will require approvals by other governmental entities and the City, in accordance with applicable laws, ordinances, and regulations, and the Parties will cooperate in good faith to comply with applicable requirements and to take other actions necessary or desirable to obtain the approvals necessary for the undertaking and implementation of the Project.

SECTION 5. ESTABLISHMENT OF DEVELOPMENT OVERSIGHT COMMITTEE

The City shall, by resolution, establish an Oversight Committee. The resolution shall determine the composition, the terms of membership, and the procedures appropriate to the responsibilities assigned to the Oversight Committee. The Oversight Committee shall make recommendations on (1) the use of Tax Increment revenues and expenditures for Legacy Park Project Costs, Lifestyle Center Project Costs, and Economic Development Project Costs; (2) material modifications of the Master Plans described in Section 6 below; and (3) material changes in the Design Guidelines described in Section 6 below. The Oversight Committee shall report to the City on at least an annual basis. Prior to any authorization for expenditures by the City for costs other than Initial Project Activity Costs or costs associated with construction of the Conference Center, the Oversight Committee shall evaluate whether the proposed expenditures are consistent with the Project Plan and shall report its determination to the City. The Oversight Committee shall at all times be guided by the goals of the Project Plan.

SECTION 6. PUD, MASTER PLANS AND DESIGN GUIDELINES

The Parties intend that development of the Increment District will proceed in accordance with the requirements of the PUD governing University North Park, Master Plans for development and Design Guidelines, all as described herein. UNP and the Developer will propose further amendments to the PUD as necessary to facilitate development consistent with the Master Plans described herein.

The Developer shall prepare and provide a Master Plan for development of the property it owns within the Increment District. UNP shall prepare a Master Plan as a guide for the development of the property to which it retains title ("Retained Area") within the Increment District. UNP and the Developer shall from time to time prepare proposed supplements and amendments to the applicable Master Plans as development proceeds. The Master Plans are intended to delineate the general framework for the development of University North Park with respect to uses, development sites or areas, parks and open spaces in an aggregate area of up to twelve (12) acres, access, utilities, and other guides appropriate to achieve the objectives of the Project Plan. Master Plan documents shall generally delineate properties and areas to be transferred to the City or its designee pursuant to this Agreement, with the specific properties delineated in detail in the Development Agreements.

The Developer and UNP shall prepare and provide Design Guidelines for certain types of development within the Increment District. UNP shall prepare Design Guidelines for the Retained Area. The Developer and UNP shall from time to time propose Design Guidelines for areas and/or other types of development, as appropriate, and amendments and supplements to the applicable Design Guidelines as development proceeds. The Design Guidelines are guidelines governing the specific design and development of improvements of the respective portions of the Increment District. All Design Guidelines, including any material changes, must be approved by the Architectural Review Board.

The Parties acknowledge that the Master Plans are conceptual in nature and are not intended to constitute rigid requirements. Rather they are to describe the intended conceptual development of the Project, and the Parties acknowledge that such plans will evolve over time as

development proceeds. Similarly the Design Guidelines will be subject to change as development proceeds to reflect not only the evolving development but also evolving technologies, materials and architectural concepts. The Parties agree to proceed in good faith in proposing and adopting amendments to the PUD, Master Plans and Design Guidelines as necessary to address evolving conditions, all consistent with the intent to assure a development of the nature described in the Project Plan.

As will be more specifically set forth in the respective Development Agreements, the use of Tax Increment revenues is subject to development substantially in accordance with the Master Plans and Design Guidelines approved by the City. Once approved, any Master Plan or Design Guideline may be materially amended only with the approval of the City. The provisions of this Agreement requiring approval by the City of Master Plans and Design Guidelines and material amendments thereto are intended only to impose the requirements for such approvals as conditions to the use of Tax Increment revenues, which requirements will be more fully set forth in the applicable Development Agreements, and such provisions are not intended to preclude or require approvals for development otherwise in accordance with applicable law.

The Parties acknowledge that the University North Park Covenants and Restrictions contain certain land use restrictions and covenants applicable to property owners within the Increment District. To the extent that any of the Parties own property within the Increment District, each shall exercise reasonable efforts to cause the provisions thereof to be enforced.

SECTION 7. OBLIGATIONS AND RESPONSIBILITIES OF THE CITY

Without limitation of other obligations in this Agreement, the City shall:

- a. Establish and appoint the Oversight Committee.
- b. Review and consider approval of proposed Master Plans and material amendments.
- c. Review and consider approval of submissions related to development in the Increment District including site plans, requests for variances, applications for building permits, and certificates of occupancy all with view of facilitating development in accordance with the Master Plans.
- d. Review and consider approval of proposed Design Guidelines and material amendments.
- e. Review and consider approval of proposed amendments to the PUD.
- f. Consider, authorize, and approve Development Agreements to implement various portions and phases of the Project.
- g. To the extent financing is necessary, consider, authorize, and approve necessary and appropriate financing agreements to provide for financing of the authorized Project Costs in connection with each component of the Project.
- h. Consider and approve designs, specifications, and budgets for all authorized Project Costs.
- i. Establish the Authority as a public trust, with the City as its sole beneficiary, and designate such trust as the public body authorized to assist in carrying out the Project Plan as described in Section VII B. of the Project Plan.

- j. Consider, authorize, and approve contracts for construction and professional services related thereto, as appropriate, in order to provide for the design and construction of improvements included in the Project, consistent with the requirements of the Local Development Act and the Competitive Bidding Act described in Section 18.

SECTION 8. OBLIGATIONS AND RESPONSIBILITIES OF UNP AND THE DEVELOPER

Without limitation of any other obligation under this Agreement, UNP and the Developer shall:

- a. Prepare and submit proposed Master Plans and material amendments.
- b. Prepare and submit proposed PUD amendments.
- c. Prepare and submit proposed Design Guidelines and material amendments.
- d. Negotiate and approve Development Agreements where necessary or appropriate to implement each phase of the Project.
- e. Prepare and submit proposed designs for public facilities the costs of which are included as Project Costs.
- f. Cause development to occur in compliance with applicable laws, ordinances, and regulations.
- g. To the extent financing is necessary, recommend proposed financing arrangements for each component of the Project.
- h. Enter into the contracts described in Section 7.j. on mutually agreeable terms which shall include the commitments of UNP and/or Developer to undertake the responsibility to administer such contracts on behalf of the City.

SECTION 9. INCREMENT DISTRICT OPERATING OBLIGATIONS

- a. The City shall:
 - 1. Establish Ad Valorem Tax Increment operating procedures in cooperation with the County Assessor and County Treasurer of Cleveland County.
 - 2. Establish Sales Tax Increment operating and accounting procedures in cooperation with the Oklahoma Tax Commission.
 - 3. Provide monthly reports of Tax Increment revenues to the Parties, including Transfer Adjustment information.
 - 4. Authorize and direct the apportionment of Tax Increments in support of Project financing as necessary or appropriate in support of financing agreements and authorizations.
 - 5. Establish an allocation of Tax Increment revenues to various components of the Project consistent with the goals of providing financing of Project Costs as those costs are incurred and assuring repayment of those costs, with interest, on reasonable, market rate terms.

b. UNP and the Developer shall:

1. Provide development cost information in support of ad valorem assessment procedures.
2. To the extent feasible, require Project participants, lessees and successors to provide Developer with reports of retail sales transactions for purposes of consolidated reporting to the City.
3. Provide consolidated monthly, quarterly and annual reports of development and retail sales activity.
4. Provide annual projections of future development activity to aid in the implementation of the Project.
5. Consult with and make recommendations to the City regarding the allocation of Tax Increment revenues contemplated by Section 9.a.5. above.

c. It is understood by UNP and the Developer that adequate documentation must be provided to determine the sales tax increment. In the event that project participants, lessees, and successors do not cooperate fully in providing the sales tax information anticipated by Section 9.b. and the sales tax increment cannot be determined from base sales tax data provided to the City, the City, at its discretion, may establish guidelines in which to make a determination of the sales tax increment or entirely deny the sales tax increment associated with those specific project participants, lessees, and successors.

SECTION 10. FINANCING TRAFFIC AND ROADWAY IMPROVEMENTS AND INITIAL PROJECT ACTIVITIES

The first phase of Project activity shall consist of the Initial Project Activities, including the Traffic and Roadway Improvements and all supporting activities necessary to initiate implementation of the Project Plan. Accordingly, and subject to approval of the specific terms of the financing by the City and UNP, (i) the City will take the necessary and appropriate steps to provide financing of the Initial Project Activity Costs, including the contingency related thereto, in a principal amount not-to-exceed \$13,475,000.00, and (ii) UNP agrees to fund or cause to be available for funding amounts sufficient to provide such financing. The provision of such financing is subject to agreement and approval of the City and the Authority in accordance with applicable law and the pledge of all or a portion of the projected Tax Increment revenue stream reasonably calculated to amortize the debt on terms that are mutually acceptable to the City and UNP. Furthermore, the provision of financing in support of Initial Project Activity Costs is subject to the requirement that UNP secure all requisite governmental approvals and that UNP acquire or obtain options to acquire all required rights-of-way for the development of the Traffic and Roadway Improvements. Concurrently with the execution hereof, the Parties and the Authority are entering into Development Agreement #1 for Initial Project Activities.

SECTION 11. DEVELOPMENT OF THE CONFERENCE CENTER

The Parties agree that it is probable that the financing and development of a Conference Center as authorized by the Project Plan will be the second phase of Project activity. Accordingly, the Parties hereto shall promptly commence such planning, studies and evaluations

as will enable them to jointly plan for the design, construction, operation, and financing of the Conference Center, including engaging such consultants as they may respectively deem appropriate. These efforts are intended to lead to the preparation and negotiation of a Development Agreement which will provide for the design approval, development budget, operating and management agreements, sharing of revenues, financial participation in credit enhancements, a relationship with a projected hotel development, and other terms and conditions deemed appropriate by the Parties for such an agreement, including agreements with a Hotel Owner/Operator who will construct and own a hotel to be managed in conjunction with the Conference Center. The provision of such financing is subject to agreement and approval of the City and the Authority in accordance with applicable law and the pledge of all or a portion of the projected Tax Increment revenue stream, along with other potential revenue sources, reasonably calculated to amortize the debt on mutually acceptable terms.

In connection with the implementation of the Development Agreement, additional support agreements from various sources are anticipated, including the commitment of the Hotel Owner/Operator to (i) provide for repayment of twenty-five percent (25%) of the debt service requirements on indebtedness up to a principal amount of \$20 million necessary to finance the Conference Center, and (ii) pay all costs of the Conference Center in excess of \$20 million or provide for repayment of 100% of the debt service requirements attributable thereto.

SECTION 12. DEVELOPMENT OF LEGACY PARK

Agreement and authorizations for the development of Legacy Park shall be subject to City approval of the design of all park facilities, approval of the Legacy Park development budget, acceptance of an agreement for donation of the park area by the Developer to the City, and, to the extent financing is necessary, approval of financing. A preliminary design and budget is attached hereto as Exhibit A. The Parties agree that Exhibit A represents only a preliminary design and budget based on information available at the time of execution of this Agreement, and that a final design and budget will be set forth in a Development Agreement.

In order for Legacy Park Project Costs to qualify for Tax Increment Revenues, (i) the Developer and the City shall enter into a Development Agreement requiring, among other things, a donation to the City of a park area containing approximately eight (8) acres, including a lake and open space for the Legacy Park land site, and (ii) the construction to a stage of shell completion, at the Developer's expense, of not less than 250,000 square feet of space within the Lifestyle Center as depicted on the Master Plan in accordance with the applicable Design Guidelines. Disbursements of Tax Increment revenues to fund the costs of landscaping over and above that required by the PUD is conditioned on the approval by the City of site plans and final plats contemplating such landscaping.

Accordingly, and subject to the finalization of the specific terms acceptable to the City and the Developer as set forth in a Development Agreement, (i) to the extent financing is necessary, the City will take the necessary and appropriate steps to authorize financing of the Legacy Park Project Costs and the contingency related thereto in a principal amount not-to-exceed \$8,250,000.00, (ii) to the extent financing is necessary, the terms of such financing will be mutually acceptable to the City and the Developer, and (iii) the Developer agrees to assume maintenance responsibilities for Legacy Park under mutually agreeable terms, with the costs of

such maintenance responsibilities to be augmented from the Legacy Park Endowment. The provision of such financing is subject to agreement and approval of the City and the Authority in accordance with applicable law and the pledge of all or a portion of the projected Tax Increment revenue stream reasonably calculated to amortize the debt on terms mutually acceptable to the City and the Developer.

At the time of this Agreement, it is anticipated that financing may be necessary to pay those Legacy Park Project Costs directly attributable to the design and construction of the primary facilities of Legacy Park, with other Legacy Park Project Costs paid directly from Tax Increment revenues as realized and/or accumulated. Provided, however, the City reserves the right to make the determination as to the appropriateness of financing at a later date.

SECTION 13. DEVELOPMENT OF THE LIFESTYLE CENTER

Development of the Lifestyle Center shall be implemented by a supplemental approval of the City and one or more supportive Development Agreements and financing authorizations, including the design and layout of transportation features. Such transportation features should include circulation and appropriate connection to existing transit systems and attempt to maximize pedestrian access to the Lifestyle Center and the surrounding retail development. All expenditures for Lifestyle Center Project Costs shall be approved by the City. Lifestyle Center Project Costs are intended to be only those costs described in Section IX A.3. of the Project Plan that are necessary and appropriate to provide the quality and type of development at University North Park that would not likely occur but for this Project and that will help ensure a regional draw to Norman. Lifestyle Center Project Costs are not available for routine development of the type and quality found elsewhere in Norman, but are reserved for use in facilitating special opportunities for development of a type not otherwise seen in Norman and for fostering public use of University North Park. The Oversight Committee and the City shall be guided by these principles and the City may exercise broad discretion in reviewing proposed developments to assure that they are used only to satisfy these development goals. Appropriation and expenditure of Lifestyle Center Project Costs must be approved by the City. The specific terms for the financing of costs described in this section will be set forth in one or more Development Agreements relating to this component of the Project.

To qualify for Lifestyle Center Project Costs to facilitate retail development, the costs must be related to retail stores that purchase property in the Increment District or sign leases for space in the Increment District for a term of not less than three years and that meet at least two of the following three criteria:

- a. The retail store shall be a retail store that does not currently exist within a twenty-one (21) mile radius of the Increment District;
- b. The retail store shall be able to demonstrate an anticipated minimum sales volume of not less than \$175 per square foot of its retail space (for stores larger than 10,000 square feet) or not less than \$275 per square foot (for stores of 10,000 square feet or smaller); or

- c. The retail store shall be relocated from outside the city limits of The City of Norman.

SECTION 14. OTHER DEVELOPMENTS

All public expenditures for Economic Development Project Costs shall be reviewed by the Oversight Committee and shall be approved by the City, subject to additional Development Agreements. Such costs shall be only those costs necessary and appropriate to provide and foster new quality employment opportunities by attracting and retaining enterprises deemed desirable to the future of Norman as described in the Project Plan. For this purpose, quality employment opportunities shall mean jobs providing salaries and benefits as are required for an employer to qualify for benefits under the Oklahoma Quality Jobs Act and such additional employment as determined by the City to qualify for purposes of the Project Plan. The specific terms for any financing of costs described in this section will be set forth in one or more Development Agreements relating to this component of the Project.

SECTION 15. COMMITMENTS FOR TRANSFER OF PROPERTY INTERESTS TO THE CITY OR ITS DESIGNEE

UNP, the OU Foundation and the Developer agree, on terms to be set forth in the Development Agreements governing the respective components of the Project, to transfer property interests to the City or its designee from time to time as follows:

A. **Dedication of Public Rights-of-Way and Easements.** In order to implement the Project Plan, UNP and the Developer, respectively, will dedicate public rights-of-way and easements within the Increment District to the City as necessary or appropriate in accordance with the Master Plans, applicable Development Agreements, and final plats pursuant to the provisions of the PUD for the area at no cost to the City or its designee.

B. **Dedication of Legacy Park.** In accordance with a Development Agreement for Legacy Park to be entered into between the Parties and the Authority, the Developer will transfer and dedicate to the City or its designee the property to facilitate the development of Legacy Park at no cost to the City.

C. **Conference Center.** In accordance with a Development Agreement for the Conference Center to be entered into between the Parties and the Authority, the Developer will transfer and dedicate to the City or its designee a tract of property consisting of approximately eleven (11) acres adjacent to the proposed hotel location for the development and operation of the Conference Center with supporting parking.

D. **Transfer of Sites for City Authorized Non-Retail Businesses.** The Parties acknowledge that an important component of the Project is the availability of property within the Increment District for non-retail businesses. Accordingly, prior to the expenditure of any Tax Increment revenues for Lifestyle Center Project Costs or Economic Development Project Costs, the City and UNP will enter into a Development Agreement contemplating the availability of up to one hundred (100) acres of land located in the north half of University North Park to be made available for economic development purposes on mutually agreeable and favorable economic terms as outlined on Exhibit B.

E. **Transfer of Site for Ruby Grant Park.** In accordance with a Purchase and Sale Agreement dated June 26, 2006, between the OU Foundation and the City, the OU Foundation will sell approximately 148.79 acres to the City as a site for Ruby Grant Park.

SECTION 16. COMMITMENT OF THE UNIVERSITY OF OKLAHOMA FOUNDATION

The OU Foundation endorses and supports the Project Plan, confirms the authorization of UNP to enter into this Agreement, and commits to work in good faith to assist in achieving the Project objectives.

SECTION 17. COMMITMENT OF THE UNIVERSITY OF OKLAHOMA

The University endorses and supports the Project Plan and establishment of the Conference Center. To that end, the University commits to schedule conferences and other University activities at the Conference Center to the extent set forth in a Development Agreement. Furthermore, at such time as commuter rail service becomes available to the City and subject to approval of the Federal Aviation Administration and the Oklahoma Department of Transportation, and agreement upon a mutually acceptable location, the University will dedicate property adjacent to University North Park (in the form of a public right-of-way or other appropriate access) over which to locate, in whole or in part, a rail spur from the existing Burlington Northern Santa Fe rail lines east of the Project area.

SECTION 18. COMPETITIVE BIDDING ACT

To the extent required by law, any and all contracts, or portions thereof, made for the purpose of constructing public improvements pursuant to this Agreement, shall be made in compliance with the Oklahoma Public Competitive Bidding Act of 1974, Title 61, Oklahoma Statutes, Section 101, et seq., as amended, including, but not limited to, any applicable bonding requirements.

SECTION 19. NO BROKER AGREEMENT

Each party hereto represents to each other party that the lease and sale of land or other obligations pursuant to this Agreement has not involved any broker nor is any party hereto liable for the payment of a brokerage commission in connection with the negotiation of this Agreement. Each party agrees to indemnify and hold harmless each other party from any and all liability, loss, claim or expenses arising out of any breach of their respective foregoing representation.

SECTION 20. APPLICABLE LAW, SEVERABILITY AND ENTIRE AGREEMENT

This Agreement shall be governed by and construed in accordance with the laws of the State of Oklahoma governing agreements made and fully performed in Oklahoma. If any provisions of this Agreement or the application thereof to any persons or circumstances shall, to any extent, be invalid or unenforceable, then the remainder of this Agreement or the application of such provision, or portion thereof, and each provision of this Agreement, shall be valid and enforceable to the fullest extent permitted by law.

SECTION 21. THIRD PARTIES

Except as expressly provided otherwise in this Agreement, the provisions of this Agreement are for the exclusive benefit of the Parties hereto and not for the benefit of any other persons, as third-party beneficiaries or otherwise, and this Agreement shall not be deemed to have conferred any rights express or implied, upon any other person.

SECTION 22. NO PARTNERSHIP OR JOINT VENTURE CREATED

This Agreement specifically does not create any partnership or joint venture between the Parties hereto, or render any party liable for any of the debts or obligations of any other party.

SECTION 23. FORMALITIES AND AUTHORITY

The Parties hereto represent and warrant that they are validly existing and lawful entities with the power and authorization to execute and perform this Agreement. The headings set forth in this Agreement are for convenience and reference only, and in no way define or limit the scope or content of this Agreement or in any way affect its provisions.

SECTION 24. NOTICES AND DEMANDS

Any notice, demand, or other communication under this Agreement shall be sufficiently given or delivered when it is deposited in the United States mail, registered or certified mail, postage prepaid, return receipt requested, or delivered personally to:

City: The City of Norman
P.O. Box 370
Norman, OK 73070
Attn: City Manager

UNP: University North Park, LLC
100 Timberdell Road
Norman, OK 73019
Attn: President

Developer: University Town Center, LLC
101 North Robinson, Suite 900
Oklahoma City, Oklahoma 73102
Attn: Stanton Nelson

or to such other address, within the United States, with respect to a party as that party may from time to time designate in writing and forward to the others as provided in this Section. A copy of any notice, demand or other communication under this Agreement given by a party under this Agreement to any other party under this Section shall be given to each other party to this Agreement.

SECTION 25. NONMERGER AND SURVIVAL

Any provision in this Agreement which has not been fully performed prior to transfer of possession or conveyance of title shall not be deemed to have merged into the lease agreement or conveyance, but shall, unless expressly waived in writing, survive such transfer of possession and/or conveyance of title and be in force and effect until performed.

SECTION 26. BINDING EFFECT

This Agreement shall be binding upon and inure to the benefit of the Parties hereto and their respective legal representatives, successors and assigns.

SECTION 27. MODIFICATIONS

This Agreement cannot be changed orally, and no executory agreement shall be effective to waive, change, modify or discharge it in whole or in part unless such executory agreement is in writing and is signed by the parties against whom enforcement of any waiver, change, modification or discharge is sought.

SECTION 28. UNAVOIDABLE DELAYS

The time for performance of any term, covenant, condition, or provision of this Agreement shall be extended by any period of unavoidable delays. In this Agreement, "unavoidable delay" means a delay beyond the reasonable control of the party obligated to perform the applicable term, covenant, condition or provision under this Agreement and shall include, without limiting the generality of the foregoing, delays attributable to acts of God, any other party to this Agreement (for example, a delay in transfer of possession), strikes, labor disputes, governmental restrictions, court injunctions, riot, civil commotion, acts of public enemy and casualty, but shall not include delays attributable to financial difficulties of such party.

SECTION 29. FURTHER ASSURANCES

Each party agrees that it will, without further consideration, execute and deliver such other documents and take such other action, whether prior or subsequent to closing, as may be reasonably requested by the other party to consummate more effectively the purposes or subject matter of this Agreement.

SECTION 30. COUNTERPARTS

This Agreement may be executed in several counterparts, and all such executed counterparts shall constitute the same agreement. It shall be necessary to account for only one such counterpart in proving this Agreement.

SECTION 31. CONFLICTS

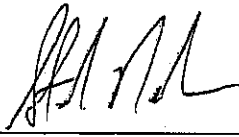
In case of any conflict between this Agreement and the Project Plan, the Project Plan shall govern.

IN WITNESS WHEREOF, the Developer, UNP, and the City, as Parties to this Agreement, have caused this Agreement to be duly executed and delivered as of the date first above written.

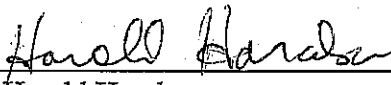
UNIVERSITY NORTH PARK, LLC

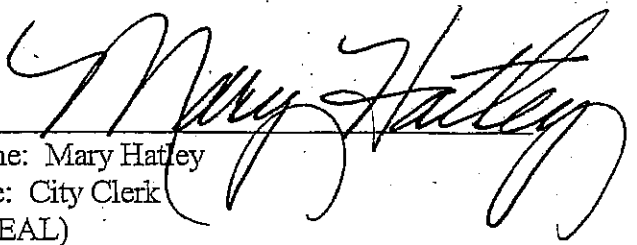
By: 
Name: Ron D. Burton
Title: Manager

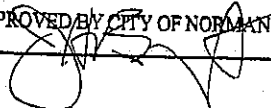
UNIVERSITY TOWN CENTER, LLC

By: 
Name:
Title:

THE CITY OF NORMAN, OKLAHOMA

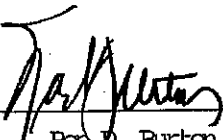
By: 
Name: Harold Haralson
Title: Mayor

By: 
Name: Mary Hatley
Title: City Clerk
(SEAL)

APPROVED BY CITY OF NORMAN LEGAL DEPARTMENT
BY  DATE 8/16/06

IN WITNESS WHEREOF, the OU Foundation and the University, as Supporting Parties to this Agreement, have evidenced their endorsement and support of this Agreement by their execution below.

UNIVERSITY OF OKLAHOMA FOUNDATION, INC.

By: 
Name: Ron D. Burton
Title: President

UNIVERSITY OF OKLAHOMA



By: 
Name: David L. Boren
Title: President 

EXHIBIT A

Preliminary Design and Budget for Legacy Park

The Parties agree that this Exhibit A represents only a preliminary design and budget based on information available at the time of execution of this agreement, and that final design and a more accurate budget will be set forth in a Development Agreement. The purpose of this attachment is to express general concepts of park design and the commitment to provide financing assistance as needed for the design and construction of the primary Legacy Park facilities.

General Legacy Park design concepts include: approximately eight (8) acre park area dedicated to the City at no cost; a water feature with restaurant space connecting to this feature and, to the extent feasible, minimize parking; additional green space interconnecting Legacy Park to Legacy Trail to the Hotel Conference Center area increasing total landscaped area to approximately ten (10) acres.

Total Budget Authorized by Project Plan **\$8,250,000.00**

<u>Component</u>	<u>Budget Range</u>
Primary Legacy Park Facilities Construction & Public Art (Developer agrees to fund or cause to be available for funding amounts sufficient to provide financing for this component)	\$4,000,000.00 to \$5,750,000.00
Legacy Park Endowment	\$1,000,000.00
Enhanced Landscaping	\$750,000.00 to \$1,000,000.00
Contingency	\$750,000.00

[Preliminary Conceptual Design on Following Page]

Preliminary Conceptual Design for Legacy Park

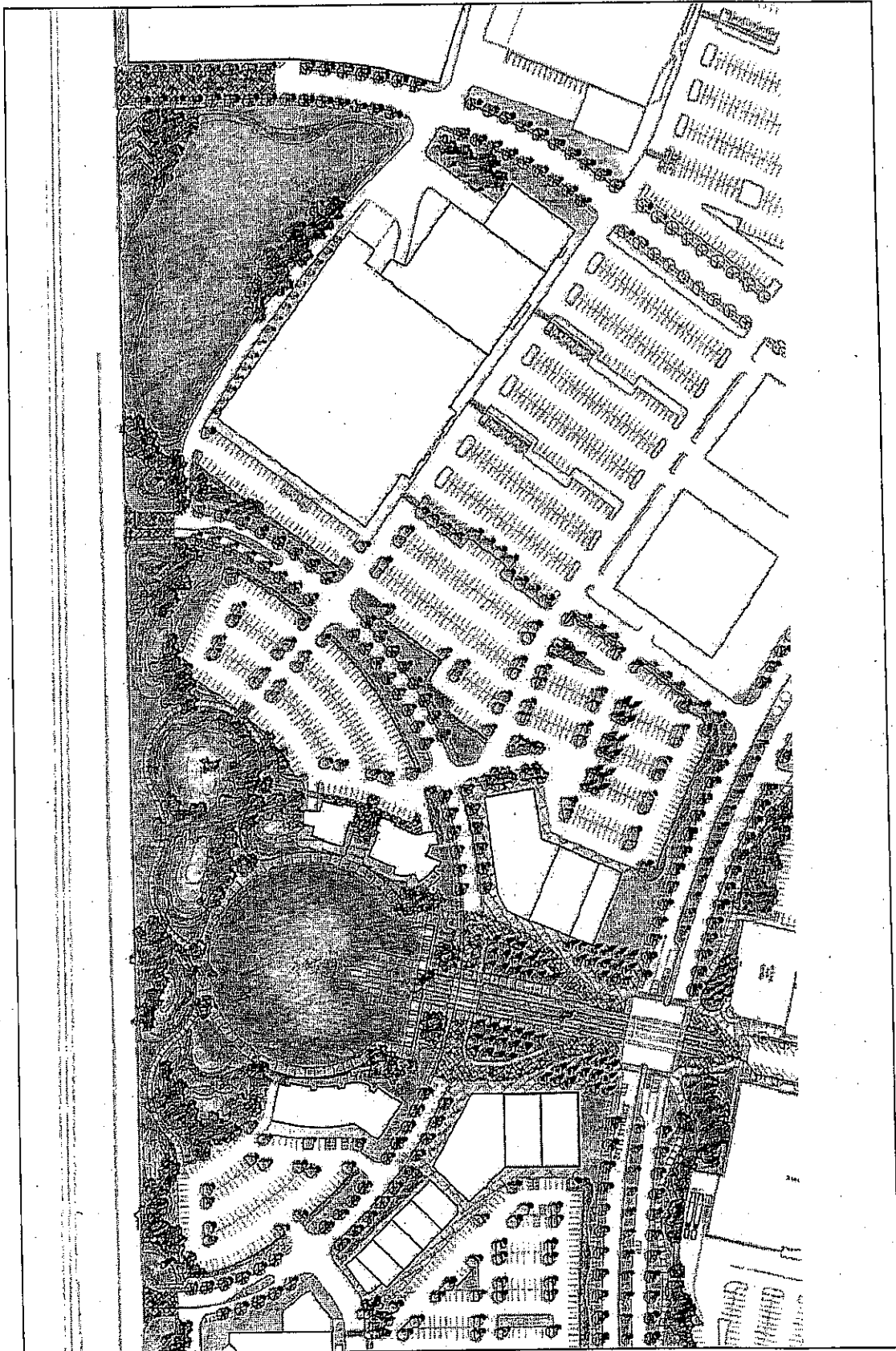


Exhibit A-2

EXHIBIT B

Economic Terms of Transfer of Sites for Non-Retail Businesses

For purposes of Section 15.D., UNP will designate sixty (60) contiguous acres on the Master Plan which will be made available for the development of non-retail businesses recruited by the Norman Economic Development Coalition (the "NEDC"), the City and/or the University (the "Economic Development Tract"). The Economic Development Tract shall be located to the east of 24th Avenue and to the north of Rock Creek Road.

UNP agrees to sell or lease the Economic Development Tract to NEDC or its designees (a "User") pursuant to the following essential terms:

(a) The Economic Development Tract will be divided into several parcels, each of which is separately referred to as a "Development Parcel" and collectively as "Development Parcels". The Development Parcels will be depicted on the Master Plan.

(b) A User would have the option to purchase or lease a Development Parcel or any part thereof.

(c) The User would pay all closing costs and would be responsible for payment of all infrastructure costs necessary to make the Development Parcel usable. The User would be obligated to develop the Development Parcel within a reasonable period of time; and if the User fails to do so, UNP would have the right to reacquire the Development Parcel at User's cost (or terminate the ground lease, as applicable).

(d) The per square foot sale prices for each Development Parcel are as follows:

Year	Price
0-4	\$1.25
5-6	\$1.56
7-9	\$1.95
10-12	\$2.44

(e) Ground leases between UNP, as lessor, and the User, as lessee, would be for fifty (50) year primary terms with two (2) ten year renewal options. The annual lease rate would be eight percent (8%) of the agreed value of the Development Parcel, which agreed value would increase by twenty percent (20%) every ten (10) years during the term of the lease.

(f) The per square foot agreed values of the Development Parcels for lease purposes are as follows:

Year	Value
0-4	\$0.75
5-6	\$0.94
7-9	\$1.17
10-12	\$1.46

(g) In the case of either sale or lease, the price or agreed value shall increase to the next level(s) to the extent that the Development Parcel(s) are not purchased or leased in their entirety within the applicable periods of time.

(h) The Development Parcels shall be subject to the PUD and the University North Park Covenants and Restrictions, as amended. In addition, UNP may require that additional restrictions be imposed on the Development Parcels to the extent necessary to maintain the quality of the Project.

(i) The term of the obligations of UNP and the City under Section 15.D. of this Agreement shall commence on the date of this Agreement and terminate on June 1, 2018 unless sooner terminated as provided herein or extended in writing. Provided, however, Section 15.D. of this Agreement shall terminate and UNP shall be free to sell, lease, transfer or develop the then remaining Economic Development Tract without restriction or obligation to the City if (a) more than twenty-five percent (25%) of the Economic Development Tract has not been purchased or leased by Users within three (3) years from the date of this Agreement, or (b) more than fifty percent (50%) of the Economic Development Tract has not been purchased or leased by Users within six (6) years from the date of this Agreement. To the extent that all of the Economic Development Tract has not been purchased or leased by Users on or before June 1, 2018, UNP shall be free to sell, lease, transfer or develop the remaining Economic Development Tract without restriction or obligation to the City.

(j) Also, for the purposes of Section 15.D. of this Agreement, UNP is willing to make available in accordance with the Master Plan or in locations mutually acceptable to UNP and to the City (or its designee) up to an additional forty (40) acres for non-retail business development deemed appropriate and desirable by both the City and UNP, subject to mutually acceptable definitive agreements for such additional economic development activities. Among other things, such agreements may include offering reduced market prices to Users (less than or equal to those offered for other business development within the northern half of the Increment District) should the economic development activity proposed by the City appear likely to generate high quality jobs from non-retail business. The Parties understand that all or any part of the additional forty (40) acres is subject to prior sale or lease by UNP without prior notice to the City and that such property shall not be subject to a right of first refusal in favor of the City.