

**MEMORANDUM OF UNDERSTANDING
CONCERNING
UNIVERSITY NORTH PARK PROJECT PLAN AND INCREMENT DISTRICT**

This Memorandum of Understanding ("MOU") is entered into this ____ day of ____, 2019, by and among the following parties (collectively, the "Parties"): THE CITY OF NORMAN, OKLAHOMA, an Oklahoma municipal corporation (the "City"); the NORMAN TAX INCREMENT FINANCE AUTHORITY, an Oklahoma public trust, (the "TIF Trust"); NORMAN ECONOMIC DEVELOPMENT COALITION, an Oklahoma not-for-profit corporation ("NEDC"); UNIVERSITY TOWN CENTER, LLC ("UTC"); JQH-NORMAN DEVELOPMENT, LLC, a Missouri limited liability company ("JQH"); UNIVERSITY NORTH PARK, LLC, an Oklahoma limited liability company ("UNP LLC"); UNP REALTY INVESTORS, LLC, an Oklahoma limited liability company ("URI"); THE UNIVERSITY OF OKLAHOMA FOUNDATION, INC., an Oklahoma not-for-profit corporation ("the "OU Foundation"); REPUBLIC BANK & TRUST, an Oklahoma state banking corporation ("RBT"); and IMMUNO-MYCOLOGICS, INC., an Oklahoma corporation ("IMMY").

Section I. Background

A. On May 23, 2006, the City adopted an ordinance approving the Norman University North Park Project Plan (the "Project Plan") and creating Increment District No. 2, City of Norman, a tax increment financing district (the "UNP TIF"). The Project Plan, which contains specific public improvement objectives, set forth a plan for an economic development project encompassing approximately 585 acres of undeveloped property in Norman known as University North Park (the "Project").

B. As detailed in the Project Plan, the primary components and principal objectives of the Project and the UNP TIF included (1) major retail development creating a "regional draw" and creation of a "lifestyle center" in the southern portion of University North Park, with key entertainment components including a public park to be known as Legacy Park and a first-class hotel-conference center complex; and (2) major economic development, office, and mixed-use development in the northern portion of University North Park, with the goal of attracting new businesses and creating quality employment opportunities. The Project Plan also provided for construction of traffic and roadway improvements to facilitate the development of University North Park, including I-35 ingress/egress, off-site improvements at Robinson Street and Tecumseh Road, and a new I-35 frontage road.

C. The Project Plan contemplated that the Project will be financed from a combination of public and private sources. The Project Plan authorized up to \$54.725 million of sales taxes and ad valorem taxes generated by University North Park to be used for specific public investments, assistance in development financing, and for economic development costs to attract new businesses not currently located in Norman to University North Park (collectively, "Project Costs"). The Project Plan included four general categories of authorized Project Costs: (1) \$21.725 million for Phase I Infrastructure and Public Improvements Costs (including traffic and roadway improvements and Legacy Park), (2) \$16.5 million for Conference Center and Cultural Facilities Costs (including a conference center and "museums and/or similar cultural facilities"), (3) \$8.25 million for Lifestyle Center Costs (infrastructure and other improvements

as well as tenant incentives to facilitate new retail development that meets certain specified criteria), and (4) \$8.25 million for Economic Development Costs (costs incurred to attract new businesses providing quality employment opportunities). A summary of authorized Project Costs (including a recent schedule of authorized Project Costs, expenditures to date and the remaining authorization prepared by the TIF Trust Treasurer/Finance Director) is attached as Exhibit A.

D. Prior to the City's adoption of the Project Plan, the Norman University North Park Project Plan Statutory Tax Increment Financing District (TIF) Review Committee (the "Statutory TIF Review Committee"), comprised of representatives of each of the taxing jurisdictions in which University North Park is located, as well as representatives of the City, the Norman Planning Commission, and the public at large, adopted a resolution recommending approval of the Project Plan and the UNP TIF.

E. After the Project Plan for the UNP TIF was approved, the City Council approved the creation of the TIF Trust, determining it was "within the best interest of the citizens of Norman for funds generated by Tax Increment Financing Districts within the City to be administered through a separate Municipal Public Trust to better provide for transparency and accountability for the use of those funds" (Resolution R-0607-15). The mayor and the City Council members are the sole trustees of the TIF Trust. The Trust Indenture creating the TIF Trust requires an annual audit of the funds, financial affairs and transactions of the TIF Trust. The Project Plan also requires annual fiscal year audits and reports.

F. The City, UTC, and UNP LLC entered into a Master Operating and Development Agreement (the "Master Development Agreement") to provide a framework for development of University North Park in accordance with the objectives of the Project Plan. Pursuant to the Master Development Agreement, the City, UNP LLC, UTC, and other Parties to this MOU entered into separate Development Agreements that address the construction and financing of specific components of the Project, and the purposes for which authorized Project Costs would be expended. The City, TIF Trust, JQH, UTC, UNP LLC, and the OU Foundation also entered into a Master Financing Agreement, which outlined the structure for the issuance of bonds and the use of TIF debt financing to achieve some of the infrastructure goals set forth in the Project Plan. In 2009, URI, a wholly owned subsidiary of the OU Foundation, purchased debt issued by the TIF Trust to finance construction of traffic and roadway improvements and related public infrastructure (including a portion of the cost of the Rock Creek overpass), Legacy Park and related public infrastructure. A list of the Development Agreements and other related agreements (collectively, the "UNP Agreements") is attached as Exhibit B to this MOU.

G. To help ensure that University North Park is developed and maintained in accordance with the Project Plan, other development requirements and financial obligations also were put in place:

a. On August 27, 2002, the City Council approved a Planned Unit Development (PUD) Plan (the "2002 PUD Plan") which removed certain property (which would later be designated as the UNP TIF Increment District) from the A-2, Rural Agricultural District, and I-1, Light Industrial District, to the PUD District and restricted such uses to not more than 50% industrial, not more than 40% commercial, not more than 50% office, and not more than

30% residential. The 2002 PUD Plan also called for the creation of an Architectural Committee to review and approve building design and material.

b. On October 11, 2005, the City Council approved an amendment to the 2002 PUD Plan to allow UNP LLC to sell or lease unplatted portions of forty (40) acres or more of the property to a buyer or tenant.

c. On March 10, 2006, UTC, UNP LLC, and the Board of Regents of the University of Oklahoma (the "University") (which granted easements to UTC and UNP LLC for utilities and drainage on part of the University's adjacent airport property) executed the First Amended and Restated Declaration of Covenants and Restrictions (the "Declaration"), applicable to the property within the PUD. The Declaration, which superseded a prior Declaration of Covenants and Restrictions dated September 15, 2003, imposed certain covenants and restrictions on the property within the UNP TIF based on the objectives of the Project Plan and the PUD Plan.

d. On December 12, 2006, the City Council approved an Amended and Restated University North Park Planned Unit Development (PUD) Development Plan (the "2006 PUD Plan"), which superseded in its entirety the 2002 PUD Plan and includes development requirements designed to achieve the goals and purposes of the Project Plan. Among other things the 2006 PUD Plan modified the commercial use percentage limitation in the 2002 PUD Plan. The PUD Plan was amended and restated in its entirety in November 2015, and there have been other subsequent amendments to the PUD Plan.

e. As provided in the Development Agreements, UTC donated the land for Legacy Park at no cost to the City, and the City was responsible for the initial construction of Legacy Park. The appraised value of the donated Legacy Park land was \$3 million. (See Exhibit C.) As provided in the Master Agreement and in Development Agreement No. 3, UTC agreed to assume permanent replacement and maintenance responsibilities for Legacy Park on behalf of the City with the cost of maintenance responsibilities to be augmented from the Legacy Park Endowment, to which the Developer was to contribute \$900,000 and the TIF Trust was to contribute \$900,000 in development financing assistance from UNP TIF revenues. Under City development regulations, a developer's obligation is only to donate park land. However, UTC agreed to assume these additional responsibilities because of its desire for a higher standard for replacement and maintenance at Legacy Park than is customarily provided by the City, and because Development Agreement No. 3 provided for the creation and initial funding of the Legacy Park Endowment to pay such costs. In 2012, after a determination was made that TIF revenues could not be used to fund the Legacy Park Endowment, and to address the lack of funding for the continuing and long-term maintenance of Legacy Park and Legacy Trail, UTC and UNP LLC agreed to initiate a petition to the City requesting the creation of a Business Improvement District (BID) and providing for annual assessments to be levied against the owners of improved property in University North Park. In order to assist in the development of and viability of the BID, the implementation of the BID assessments was phased over an eight-year period after completion of Legacy Park construction, and \$900,000 of UNP TIF funds were allocated to provide an interim funding source for the BID.

H. In 2006, as provided in the Master Development Agreement, the OU Foundation sold approximately 148 acres of land west of I-35 to the City as a site for Ruby Grant Park, at a deeply discounted price of \$750,000. (See Exhibit C.)

I. In 2007, pursuant to the Development Agreements, UTC donated land to the City for a conference center, and JQH constructed a hotel and conference center. The appraised value of the donated conference center land was \$4 million. (See Exhibit C.) The City had agreed to purchase the conference center from JQH after completion of construction for a maximum of \$15 million (utilizing funds allocated in the Project Plan for "Conference Center and Cultural Facilities Costs"), and lease the conference center back to JQH. However, in 2008, JQH offered to release the City from its commitment to purchase the conference center, so that part of the funds allocated for Conference Center and Cultural Facilities Costs in the Project Plan could instead be used to pay part of the costs of constructing an overpass over I-35 at Rock Creek Road. In 2008, the Project Plan was amended to reallocate \$7.75 million for this purpose. The remaining \$8.75 million continued to be allocated for Cultural Facilities Costs. JQH expressed a desire that these funds should be applied to either a cultural facility or Lifestyle Center Costs. The Project Plan, as amended in 2008, recognized "that the Conference Center is being funded by the Embassy Suites hotelier [JQH] and that \$15,000,000 of financing authority supported by incremental revenues will no longer be needed to meet that purpose of the Project Plan," and stated that "the remaining original allocation for Conference Center and Cultural Facility Costs of \$8,750,000 may be used to fund cultural facilities or other Project Costs in furtherance of the objectives of the Project Plan as set out in Section IV but only upon review and approval by the Statutory TIF Committee." Additionally, in Development Agreement No. 4, to which JQH was a signatory, the parties explicitly acknowledged that the funds would remain in the Cultural Facilities Costs allocation, that requests to use such funds to supplement other authorized Project Costs would be considered as authorized under the Project Plan ... including but not limited to a cultural facility or enhancement of the Lifestyle Center component of the Project Plan," and the City "reaffirm[ed] its commitment under the Project Plan to consider any qualifying request for Lifestyle Center Project Costs made in accordance with the Project Plan."

J. With reference to the UNP TIF revenues allocated for Lifestyle Center Costs, the Master Development Agreement and subsequent Development Agreements included general development concepts and standards for the Lifestyle Center, including eligibility criteria for UTC to receive financial incentives paid from TIF revenues if UTC attracted new retail businesses to University North Park that would create a regional draw for potential shoppers. As consideration for the City's agreement to make these incentives available to UTC upon satisfaction of certain conditions, UTC agreed to reimburse the City for the construction costs of Legacy Park and I-35 frontage road improvements funded by incremental revenues if the required retail square footage in the Lifestyle Center was not completed by January 1, 2016. This deadline has been extended twice by the City and TIF Trust through adoption of subsequent development agreements, and the current deadline expires in 2023 (or in 2026, if certain additional requirements are satisfied).

K. The City designated NEDC to implement certain economic development objectives of the Project on behalf of the City, utilizing the UNP TIF revenues allocated for Economic Development Costs. Pursuant to the Project Plan, UNP LLC agreed to make available to the City (acting through NEDC) up to 100 acres of land in University North Park north of

Rock Creek Road, and NEDC purchased a total of 61.67 acres from UNP LLC (collectively, the “Economic Development Tracts”). NEDC obtained loans from RBT for acquisition and infrastructure construction costs, and the TIF Trust pledged part of the UNP TIF tax increments as security for NEDC’s acquisition loans. As part of the consideration for its purchase of the Economic Development Tracts at a price of \$1.25 per square foot (see Exhibit C), NEDC agreed with UNP to meet certain development requirements, which include constructing infrastructure improvements and entering into agreements for the sale or lease of lots to “qualified users” that will provide quality jobs (the “Development Requirements”). In 2014, NEDC sold a lot to IMMY, and granted IMMY a first right of refusal to purchase three additional lots. IMMY has constructed and is operating a manufacturing facility on its lot. NEDC has a contract for purchase of an additional lot that has not closed as of the date of this MOU; however NEDC has not sold or leased any of the remaining lots within the Economic Development Tracts.

L. During the past 12 years, many of the improvements contemplated by the Project Plan have been completed. Over \$29 million in UNP TIF funds have been spent thus far on traffic and roadway projects (including the Rock Creek Road overpass and other traffic and roadway improvements beyond the boundaries of University North Park), construction of Legacy Park, and economic development in University North Park in conjunction with NEDC. This public investment has resulted in more than \$234 million in private investment (more than eight times the public investment), generating more than \$1.84 billion in total retail sales. During the life of the UNP TIF, UNP TIF funds have been expended exclusively for public infrastructure and economic development, and no UNP TIF funds have been distributed by the TIF Trust to UNP LLC, UTC or their respective affiliates (except for transfer of UNP TIF funds to repay bonds issued by the TIF Trust and purchased by URI, and reimbursement to UTC for frontage road costs).

M. During the past 12 years, more than \$82 million in sales tax revenue and over \$20 million in ad valorem tax revenue has been generated from the development of University North Park:

- Since 2006, over \$82 million in sales tax revenue has been generated by the development of University North Park (of which more than \$7 million is dedicated to public safety through an adopted dedicated public safety sales tax, more than \$7 million is dedicated to the Norman Forward Fund through an adopted dedicated Norman Forward sales tax, more than \$35 million has gone to the City’s general fund, and more than \$33 million has been allocated to UNP TIF Project Costs).
- During calendar year 2018, \$11 million in sales taxes were generated in University North Park, and less than 28% was used to fund TIF-specific projects. The remaining 72% funded Norman economic development through NEDC (\$6 million), public safety and Norman Forward dedicated sales taxes (\$2.7 million), and Norman’s general fund (\$4.7 million).
- Since 2006, over \$20 million in new ad valorem tax revenue has been generated by the development of University North Park, with 50% allocated to UNP TIF Project Costs (and to the City’s apportionment fund to pay for public improvements authorized by the Project Plan), and the remaining 50% to the ad valorem taxing jurisdictions: Norman

Public Schools, Cleveland County, Moore/Norman Technology Center, Pioneer Library System, and Cleveland County Health Department.

- In addition, more than \$1.1 million has been generated by the Project in hotel/motel tax revenue, which specifically benefits City arts, public parks, and tourism.

N. The 2006 Ordinance approving the Project Plan provides that the increment of ad valorem taxes and sales taxes from the UNP TIF (as calculated by the formula in the Project Plan) shall be apportioned and used to pay or finance eligible Project Costs for a period not to exceed 25 years, or the period required for the payment of authorized Project Costs, whichever is less. Consequently, the tax increment apportionment from the UNP TIF is authorized to continue for up to 13 more years provided an amount sufficient to fund authorized Project Costs has not been collected.

O. The City Council has expressed its intention to stop allocating any taxes from the UNP TIF to Project Costs, so that 100% of the City sales tax from sales within University North Park will be deposited into the City's General Fund and Capital Fund. On November 13, 2018, the City Council adopted a resolution requesting the Statutory TIF Review Committee for a recommendation regarding how to end the UNP TIF funding mechanism (both the sales tax increment and the ad valorem increment) immediately.

P. In addition, the City Council has expressed its desire to use up to \$8.75 million of the remaining UNP TIF funds for Norman Forward projects. In 2018, the City Council requested the Statutory TIF Review Committee to approve the use of the Cultural Facilities funding authorization for a senior center to be built on land within the University North Park Project Area, but outside of the University North Park Increment District, that the City proposed to lease from the University. The Statutory TIF Review Committee rejected that request, expressing concerns that the City's proposed use of the TIF funds did not meet the objectives of the Project Plan.

Q. On January 22, 2019, the City Council adopted a resolution requesting the Statutory TIF Review Committee to approve the City's use of the funds allocated for Cultural Facilities Costs for a proposed multi-generational recreation complex with an indoor competitive pool facility and an indoor multi-sport facility, as well as a senior center (the "Recreation Complex"). The City Council also approved a Memorandum of Understanding to buy the same 14-acre parcel of land that the City previously had proposed to lease from OU. The boundaries of the "Project Area," as defined in the Project Plan, extend beyond the boundaries of the University North Park Increment District to include streets and highways north, south, east and west of University North Park because, as stated in the Project Plan, "without the proposed infrastructure and traffic improvements, the development of University North Park as envisioned will not occur." However, with the exception of traffic and roadway improvements and other infrastructure improvements serving the University North Park area, the Project Plan (and associated master plan) does not contemplate the expenditure of TIF funds for any other purpose outside of University North Park, such as other sites or buildings. UNP LLC and UTC have requested the City and other community partners to explore the possibility of building the Recreation Complex at a mutually acceptable location or locations within the University North

Park Increment District, instead of the proposed site owned by the University in the University North Park Project Area, but outside of the Increment District.

R. Over \$25 million in authorized UNP TIF Project Costs remain outstanding (see Exhibit A), and the City, the TIF Trust, UTC, UNP LLC, and other Parties to this MOU have not yet performed all of their obligations under the Development Agreements and other UNP Agreements. If the UNP TIF tax increment apportionments are ended earlier than contemplated by the Project Plan, insufficient funds will be available to enable the City and TIF Trust to fund the remaining authorized Project Costs.

S. If the UNP TIF sales tax and/or ad valorem tax increment apportionments are terminated early, it will be necessary to amend the Project Plan to reduce or eliminate authorized Project Costs, reallocate the remaining funds available, and modify the purposes for which such funds may be used. Changes also will need to be made to other ancillary documents and agreements, including the Development Agreements, PUD Plan, Declaration, and BID ordinances.

T. The City desires to enter into binding, mutually acceptable agreements by June 30, 2019 providing for early termination of the UNP TIF increment allocation, and desires to negotiate with the Parties to this MOU and other community partners (including the ad valorem taxing jurisdictions) to reach a resolution of all other outstanding matters related to the UNP TIF by June 30, 2019.

U. Recognizing that the City is facing financial challenges, recognizing that a reduction in the UNP TIF sales tax increment at the earliest possible time would be beneficial to the City, and to avoid the possibility of protracted and expensive litigation, UTC, UNP LLC, and JQH (collectively, the "UNP Development Partners") and the other Parties to this MOU are willing to work with the City and the TIF Trust in good faith to negotiate agreements providing for early termination of UNP TIF tax increment apportionments and reallocation of the remaining UNP TIF revenues in an orderly manner and on a mutually acceptable basis as part of a global and comprehensive resolution of all outstanding issues related to the UNP TIF, taking into account the respective rights and obligations of all impacted parties. This MOU is proposed to provide a framework for settlement of possible litigation between the Parties, and as such, represents an attempt at compromise negotiations.

Section II. Purpose and Contemplated Actions

The purpose of this Memorandum of Understanding is to outline a process and timeline for achieving the City's desire to enter into binding, mutually acceptable agreements by June 30, 2019 providing for early termination of the UNP TIF tax increment apportionments, and reaching a mutually agreeable resolution of all other outstanding matters related to the UNP TIF by June 30, 2019. The Parties intend to accomplish this purpose by the following actions:

1. Comprehensive Review. The City, the TIF Trust and the UNP Development Partners will undertake a comprehensive review of the current status of the UNP TIF, including:

- a. All outstanding legal commitments or obligations of the Parties under the Project Plan, the Development Agreements, and other UNP Agreements;
 - b. The feasibility and desirability for completion of the remaining projects and economic development objectives contemplated by the Project Plan and the UNP Agreements;
 - c. Whether the Project Plan should be restructured and modified, including whether to reduce, reallocate, or eliminate authorization for certain categories of Project Costs; and
 - d. Whether the Development Agreements and other UNP Agreements should be amended to waive certain remaining rights, release certain remaining obligations and authorizations, and/or extend certain existing deadlines. To the extent these Agreements necessarily involve parties other than the UNP Development Partners, the City, and the TIF Trust, such parties shall be involved in developing and negotiating said agreements.
2. Amendments to Project Plan. To implement the objectives set forth in this MOU, the Parties, as appropriate, will work together in good faith to negotiate mutually acceptable proposed amendments to the Project Plan by May 15, 2019, and will recommend such amendments for approval by the Statutory TIF Review Committee, the taxing jurisdictions, and all others with approval rights by June 30, 2019.
3. Amendments to UNP Agreements. The Parties will work together in good faith to negotiate and draft amendments to the UNP Agreements and other mutually acceptable agreements between the City, TIF Trust, UNP Development Partners and other impacted parties as appropriate, addressing all outstanding issues related to the UNP TIF by May 31, 2019, and the City and the TIF Trust will take all necessary action to approve all such agreements to which the City and/or the TIF Trust are parties by June 30, 2019.
4. Norman Forward Projects. If the City and other community partners determine that it would be in the best interests of the citizens of Norman to locate some or all of the components of the proposed Norman Forward Recreation Complex within the University North Park Increment District, the City, the TIF Trust, the UNP Development Partners and others, as appropriate, will work together in good faith to:
 - a. Identify a mutually acceptable location (or locations) for such facilities on or before May 15, 2019, including (i) the City furnishing the impacted Parties any existing economic impact studies, Norman Forward financing plan(s), and projections of dedicated Norman Forward sales tax revenues, and (ii) if property owned by UNP LLC, UTC, or NEDC is identified as a prospective location for some or all of the components of the Recreation Complex, entering into an access agreement and providing existing surveys, drainage studies, and other available data to facilitate evaluation of the potential site;

- b. Mutually determine and recommend to the Statutory TIF Review Committee whether all or a portion of the UNP TIF funds authorized for Cultural Facilities or other Project Costs should be used for the Recreation Complex;
 - c. Negotiate agreement(s) for the acquisition of such site(s) and the development and financing of such facilities (including whether such site(s) will be donated or sold to the City or its designee at a discounted price); and
 - d. Negotiate any related amendments to the Development Agreements and other UNP Agreements.
5. UNP TIF Funds; TIF Trust.
- a. UNP TIF Funds. Until such time as the amendments and agreements contemplated by this MOU are approved or, the MOU expires or is otherwise terminated and the City and TIF Trust take action to end the TIF increment allocation, the revenues representing the Sales Tax Revenue (as that term is defined in the Agreement to Remit Funds and Security Agreement) received from the Oklahoma Tax Commission by the City and the revenues representing the Ad Valorem Tax Revenue (as that term is defined in the Agreement to Remit Funds and Security Agreement) received from the Cleveland County Treasurer by the City each month shall continue to be deposited in a special TIF Trust account (the "City UNP TIF Account") established separate and apart from the General Fund of the City. Until such time as the amendments and agreements contemplated by this MOU are approved, sales and ad valorem tax revenues generated by University North Park will continue to be allocated to the UNP TIF in accordance with the Project Plan and will continue to be deposited and held in the City UNP TIF Account administered by BOK Financial, and no funds will be withdrawn from such accounts except for already committed Traffic and Roadway Project Costs funds in the amount of \$1,678,671 without the mutual approval of the City, the TIF Trust, and the UNP Development Partners.
 - b. Special Audit. To verify the amount of funds available for authorized Project Costs and in furtherance of the objectives of this MOU and the goals of transparency and accountability expressed in the Project Plan and the Trust Indenture, the City and the TIF Trust will engage independent certified public accountants to perform a special audit of the TIF Trust and the City UNP TIF Account with emphasis on compliance with the Operating Procedures and Practices to be employed by the City and the TIF Trust to implement the Project Plan and administer the UNP TIF District, including collection of incremental sales and ad valorem tax revenues, deposits and transfer of funds in various accounts maintained by the TIF Trust at commercial banks, verifying all relevant calculations, including transfer and annual growth rate adjustments, payment of fees, and expenditure of funds for payment of authorized Project Costs. The report of such audit will be provided to the Parties on or before May 31, 2019. The cost of the audit shall be paid by the TIF Trust as an authorized Project Cost.

6. UNP TIF Sales Tax and Ad Valorem Increment Allocations.

- a. Sales Tax Increment. With respect to the UNP TIF sales tax increment, the Parties recognize that under the Oklahoma Local Development Act, “an ordinance or resolution establishing an increment district ... may be repealed, modified or amended at any time during the term of the increment district, by subsequent action of the governing body” except under certain circumstances specified in the Act. The Parties will work together in good faith to achieve the dates set forth in Section II(2) herein for Statutory TIF Committee consideration of appropriate Project Plan amendments given the objectives stated in Section I(T) herein. The Project Plan amendments proposed for Statutory Review Committee consideration shall set forth, among other things, the date as of which the sales tax increment apportionment will end (the “Sales Tax Increment Termination Date”).

The Parties recognize that the written agreements they entered into pursuant to the Oklahoma Local Development Act cannot be unilaterally rescinded or modified by ordinance or resolution. If the UNP TIF sales tax increment is terminated early, the Parties will work together in good faith to negotiate such new agreements or amendments to existing agreements as may be necessary as a result of such early termination.

If the UNP TIF sales tax increment is terminated early, sales tax revenues generated by University North Park through the Sales Tax Increment Termination Date (including sales taxes collected or received after the Sale Tax Increment Termination Date for sales made prior to the Sales Tax Increment Termination Date) will be apportioned to the UNP TIF.

- b. Ad Valorem Tax Increment. With respect to the UNP TIF ad valorem tax increment allocation, the Parties recognize that under the Oklahoma Local Development Act, “an ordinance or resolution establishing an increment district ... may be repealed, modified or amended at any time during the term of the increment district, by subsequent action of the governing body” except under certain circumstances specified in the Act. The Parties will work together in good faith to achieve the dates in Section II(2) herein for Statutory TIF Committee consideration of appropriate Project Plan amendments given the objectives stated in Section I(T) herein. The Project Plan amendments proposed for Statutory TIF Committee consideration shall set forth, among other things, the date as of which the ad valorem increment apportionment will end (the “Ad Valorem Tax Increment Termination Date”).

The Parties recognize that the written agreements they entered into pursuant to the Oklahoma Local Development Act cannot be unilaterally rescinded or modified by ordinance or resolution. If the UNP TIF ad valorem tax increment is terminated early, the Parties will work together in good faith to negotiate such new agreements or amendments to existing agreements as may be necessary as a result of such early termination.

If the UNP TIF ad valorem tax increment is terminated early, ad valorem taxes generated by property in University North Park that are payable for the calendar year in which the ad valorem tax increment is terminated (including ad valorem taxes that are collected and received after December 31 of such calendar year, and any payments in lieu of ad valorem taxes as provided in the Project Plan and in the Declaration) will be apportioned to the UNP TIF.

7. Mitigation of Adverse Impact on Norman Public Schools. Incremental ad valorem tax dollars allocated to Norman Public Schools ("NPS") from the UNP TIF currently bypass the Oklahoma State Equalization funding formula. NPS currently receives almost \$1 million annually in Oklahoma Education Equalization Funds and ad valorem taxes generated in University North Park. However, if the UNP TIF ad valorem tax increment allocation is terminated early, Norman Public Schools' share of future ad valorem taxes generated at University North Park will be subject to reduction under the Oklahoma state funding formula. If the UNP TIF ad valorem tax increment allocation is terminated early, the City will work with NPS to determine whether equivalent funds can be made available from the City's General Fund, other secure funding sources, or from provision of City services to NPS to mitigate NPS' calculated and agreed-to net loss of revenue. The City will work with NPS to prepare estimates of the net impact of the additional ad valorem tax revenue that would be apportioned to NPS at the termination of the UNP TIF apportionment, versus the additional State Equalization funding made available by the TIF ad valorem tax allocation being bypassed in calculating state aid to the NPS. Such mitigation will consider the time which would elapse until the tax apportionments to the UNP TIF Fund would have terminated through the generation of sufficient revenue to fund all authorized Project Costs.
8. Potential Loss of "In Lieu" Tax Payments. The Declaration includes a covenant that requires any owners of property in University North Park that otherwise would be exempt from ad valorem taxes to nevertheless pay an "in lieu" tax in the same amount so long as the UNP TIF is in place. The City, the TIF Trust, and the UNP Development Partners will consider the potential loss of future revenue to the ad valorem taxing jurisdictions if this covenant is extinguished as a result of the early termination of the UNP TIF ad valorem tax increment and the remaining undeveloped property within University North Park is developed and owned by tax-exempt entities without negotiated payment in lieu of tax agreements.
9. Mitigation of Adverse Impact on Legacy Park and Other Amenities. In addition to the BID assessments paid by property owners within University North Park, the City also has financial obligations related to the BID to be paid with tax increment revenues. If the UNP TIF is ended early, it may affect funding of the University North Park BID, and operation and maintenance of Legacy Park, including park trails and greenways through the University North Park Project Area, Enhanced Landscaping, Public Art and other public amenities could be adversely impacted. Issues to be addressed by the City, the TIF Trust, and the UNP Development Partners (together with other affected owners in University North Park) include:

- a. Whether the remaining Project Cost authorization for Legacy Park , including park trails and greenways through the University North Park Project Area, Enhanced Landscaping, Public Art, and other public amenities will be reduced, eliminated, or reallocated;
 - b. Whether the BID should be modified or terminated; and
 - c. The City's financial and departmental responsibility for future maintenance and operation of Legacy Park, Legacy Trails and other public amenities, including sources of funds.
10. NEDC's Economic Development Objectives and Remaining Authorization. Under the University North Park Economic Development Agreement adopted in 2010, 10% of the incremental sales tax revenues from University North Park are allocated for economic development within University North Park. According to the City's calculations, the remaining authorization for Economic Development Costs is more than \$4 million. (See Exhibit A.) If the UNP TIF sales tax increment allocation is terminated early, issues to be addressed will include the following:
- a. The potential impact of NEDC's loss of a secure funding source for job creation efforts and incentives to recruit new businesses to Norman;
 - b. Whether the remaining authorization for Economic Development Costs should be reduced, eliminated, or reallocated (including whether a portion of such funds should be made available for economic development purposes outside of University North Park);
 - c. Payment or satisfaction of NEDC's indebtedness to RBT for purchase of the Economic Development Tracts (the "RBT Debt");
 - d. Whether the TIF Trust will purchase the RBT Debt on the terms set forth in the Second Amended and Restated Agreement Acknowledging Development Goals and Repurchase Rights (or on other mutually acceptable terms);
 - e. Whether NEDC will continue to own the remaining undeveloped property within the Economic Development Tracts if the City pays off the NEDC debt to RBT;
 - f. If so, whether NEDC's Development Requirements should be modified, extended, or released by UNP LLC with respect to the remaining undeveloped property within the Economic Development Tracts;
 - g. IMMY's first right of refusal under Development Agreement No. 6 with respect to certain lots within the Economic Development Tracts;
 - h. Whether UNP LLC's right to repurchase the remaining undeveloped Economic Development Tracts should be accelerated, extended, or released; and

- i. Whether UNP LLC should be released from any further obligation under the Economic Development Agreement to sell additional land to NEDC or the City.
11. Other Issues. Other issues to be addressed as part of a comprehensive resolution of all issues related to the UNP TIF include the following:
 - a. Whether the City will complete certain public improvements (including traffic and roadway improvements and additional parking for Legacy Park) as required by the Project Plan and Development Agreements, and, if so, (i) the source(s) of funding for those improvements that exceed the remaining allocation to Traffic and Roadway Improvements set forth in the Project Plan and Development Agreement No. 1, and (ii) the required completion dates.
 - b. Whether, if the City and other community partners decide not to locate some or all of the components of the proposed Norman Forward Recreation Complex within the University North Park Increment District, the \$8.75 million Project Cost authorization for Cultural Facilities Costs will remain in place, or will be reduced, eliminated, or reallocated for other purposes (such as enhancement of walkability features and traffic and roadway improvements).
 - c. Whether, if another location in the University North Park Increment District is identified and selected for the Norman Forward Recreation Complex, UTC will be released from its contractual obligations to donate Cultural Facility Land and reserve Additional Land for the City as provided in Amendment No. 1 to Development Agreement No. 5.
 - d. With reference to the Project Cost authorization for Lifestyle Center Costs and other obligations related to the Lifestyle Center:
 - i. Whether the \$8.25 million allocation for Lifestyle Center Costs will be reduced, eliminated, or reallocated;
 - ii. Whether, if the UNP TIF funding for Lifestyle Center Costs is reduced, eliminated, or reallocated, UTC will be released from its obligations to reimburse the City for Legacy Park construction costs and I-35 frontage road improvements funded by incremental revenues if certain retail development targets are not achieved by specified dates; and
 - iii. Whether, if UNP TIF funds continue to be available for Lifestyle Center Costs, the development requirements and deadlines for the Lifestyle Center will be modified or extended.
12. University North Park PUD, BID, and Declaration. In furtherance of the objectives of this MOU, the City and the TIF Trust will cooperate with the UNP Development Partners in obtaining the consent of other affected owners and approving such amendments to the University North Park PUD Plan, BID, and Declaration as may be necessary and appropriate. Issues to be addressed may include:

- a. Amendment of the PUD Plan to modify provisions that were set forth in the PUD Plan to reflect any changes in the development plan as a result of the objectives contained herein and resulting agreements;
 - b. Amendment of the PUD Plan and the Declaration to (i) allow additional commercial development (including certain retail uses) in the northern portion of University North Park, (ii) address maintenance and operation of landscaping in street medians and other public common areas, including sources of funds; and (iii) modify architectural review requirements;
 - c. Whether, if the UNP TIF sales tax increment is terminated early, the BID assessments and allocations (including funding for operation and maintenance of Legacy Park and Legacy Trail) should be terminated or modified;
 - d. Whether, if the UNP TIF sales tax increment is terminated early, NEDC should be released from its obligation under Development Agreement No. 6 to pay, through December 31, 2023, any annual BID assessments in excess of \$900 made against the property that IMMY purchased from NEDC in 2014; and
 - e. Whether, if the UNP TIF ad valorem tax increment is terminated early, the "in lieu" tax covenant in the Declaration also should be eliminated.
13. Transaction Costs and Expenses. Each Party shall pay its own costs and expenses relating to the transactions contemplated by this MOU.
14. Execution of MOU. The Parties acknowledge that time is of the essence in reaching a mutually acceptable resolution of all outstanding issues. Accordingly, if this MOU is not fully executed by all Parties on or before March 29, 2019, and such deadline is not extended by mutual agreement, this MOU will be deemed to have been withdrawn.
15. Binding Agreements. Upon approval of this MOU, the City, the TIF Trust, the UNP Development Partners and others, as appropriate, will work together in good faith to move forward with negotiating definitive agreements and obtaining necessary and appropriate approvals for the proposed actions and undertakings described in this MOU. The Parties acknowledge that this MOU does not create any binding obligations, and that any binding obligations related to this MOU will arise only at such time as mutually acceptable amendments to the Project Plan, Development Agreements and other documents are approved, executed, and delivered as contemplated by this MOU. The Parties further recognize that not every party to the MOU will be, or should be parties to every agreement that may arise from the negotiations contemplated herein.
16. Termination of MOU. If the Parties have not approved mutually acceptable Project Plan amendments and amendments to other ancillary documents as discussed herein (including the University North Park PUD Plan, BID, and Declaration) and entered into definitive agreements as appropriate by June 30, 2019, and such deadline is not extended by mutual agreement of the Parties, this MOU will automatically terminate. If, at any time prior to June 30, 2019, any Party reasonably determines that further discussions would be

fruitless, such party may terminate its participation in this MOU by giving written notice to the other Parties.

17. Standstill Period. While this MOU is in effect (the “Standstill Period”), the Parties agree to forbear from filing any proceeding in state or federal court seeking interim injunctive relief, appointment of a receiver for the funds held by the TIF Trust, or asserting any claims and causes of action relating to or arising from the Project Plan or the UNP Agreements; provided, however, if the City or the TIF Trust attempts to disburse or transfer any funds from the TIF Accounts for anything other than already committed Traffic and Roadway Project Costs in the amount of \$1,678,671 or to intervene on depositing applicable funds into the TIF Accounts, without the prior written consent of the other Parties, this Section shall not prevent any Party from taking any action or filing any claim as it deems necessary to prevent such disbursement, transfer, or intervention. During the Standstill Period, the Parties agree that the running of any and all applicable statutes of limitations, repose, or other defenses or limitations on any claims and causes of action that any Party may have against another Party relating to or arising from the Project Plan or the UNP Agreements shall be tolled and suspended.

If this MOU is terminated before the Parties enter into definitive agreements, the Parties shall retain any and all legal or equitable remedies and defenses they may have or may believe they have arising from or related to their respective claims, and such remedies and defenses shall be available without restriction or modification, as if this MOU had not been signed, but subject to the tolling agreement in this section. Nothing in this MOU is intended as, shall constitute, or be used as evidence of an admission by any party of any wrongdoing, liability, or fault, a waiver of any right or defense, an estoppel, or an admission as to any matter of law or fact, either as among the Parties or with respect to any person or entity not a party to this agreement. This MOU shall not be deemed to be an admission or a waiver by any party with respect to any contested issue. In the event of litigation, no evidence related to the existence, operation, or negotiation of this MOU will be admissible.

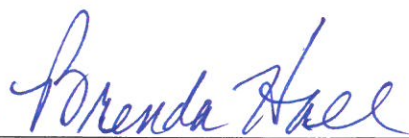
18. Counterparts. This MOU may be executed in multiple counterparts.

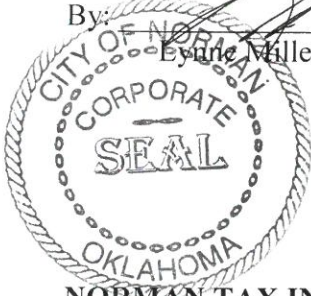
[signatures follow]

EXECUTED as of the date first set forth above.

THE CITY OF NORMAN, OKLAHOMA

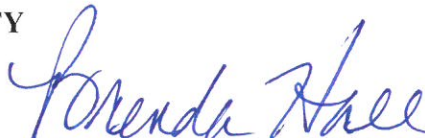
By: 
Elyse Miller, Mayor

Attest: 
Brenda Hall, City Clerk
(SEAL)



NORMAN TAX INCREMENT FINANCE AUTHORITY

By: 
Elyse Miller, Chair

Attest: 
Brenda Hall, Secretary
(SEAL)



Approved as to form and legality this ____ day of _____, 2019.

Kathryn Walker, City Attorney/General Counsel

NORMAN ECONOMIC DEVELOPMENT COALITION

By: _____
Name: _____
Title: _____

UNIVERSITY TOWN CENTER, LLC

By: _____
Robert C. Collett, Manager

EXECUTED as of the date first set forth above.

THE CITY OF NORMAN, OKLAHOMA

By: [Signature]
Lynne Miller, Mayor

Attest: [Signature]
Brenda Hall, City Clerk
(SEAL)



NORMAN TAX INCREMENT FINANCE AUTHORITY

By: [Signature]
Lynne Miller, Chair

Attest: [Signature]
Brenda Hall, Secretary
(SEAL)



Approved as to form and legality this 26 day of March, 2015

[Signature]
Kathryn Walker, City Attorney/General Counsel

NORMAN ECONOMIC DEVELOPMENT COALITION

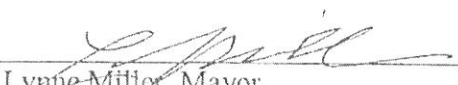
By: [Signature]
Name: DANIEL QUINN
Title: Chairperson

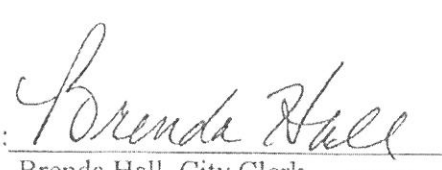
UNIVERSITY TOWN CENTER, LLC

By: [Signature]
Robert C. Collett, Manager

EXECUTED as of the date first set forth above.

THE CITY OF NORMAN, OKLAHOMA

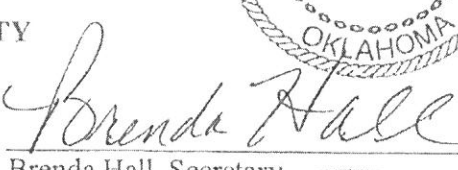
By: 
Lynne Miller, Mayor

Attest: 
Brenda Hall, City Clerk
(SEAL)



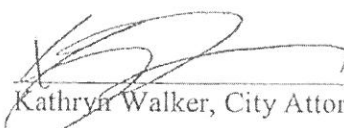
NORMAN TAX INCREMENT FINANCE AUTHORITY

By: 
Lynne Miller, Chair

Attest: 
Brenda Hall, Secretary
(SEAL)



Approved as to form and legality this 26 day of March, 2016.


Kathryn Walker, City Attorney/General Counsel

NORMAN ECONOMIC DEVELOPMENT COALITION

By: _____
Name: _____
Title: _____

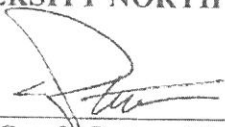
UNIVERSITY TOWN CENTER, LLC

By: 
Robert C. Collett, Manager

JQH-NORMAN DEVELOPMENT, LLC

By: _____
Name: _____
Title: Manager

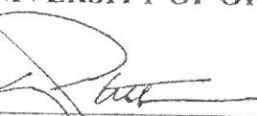
UNIVERSITY NORTH PARK, LLC

By:  _____
Guy L. Patton, Manager

UNP REALTY INVESTORS, LLC

By:  _____
Guy L. Patton, Manager

THE UNIVERSITY OF OKLAHOMA FOUNDATION, INC.

By:  _____
Guy L. Patton, President

IMMUNO-MYCOLOGICS, INC.

By: _____
Name: _____
Title: President

REPUBLIC BANK & TRUST

By: _____
Name: _____
Title: _____

EXHIBIT A
UNP TIF AUTHORIZED PROJECT COSTS

I. *As adopted in 2006, the Project Plan included the following categories of Project Costs to be financed by the apportionment of ad valorem and sales tax increments from the UNP TIF:*

Phase I Infrastructure and Public Improvements Costs	
• Traffic and Roadway Improvements	\$10,500,000
• Legacy Park	\$ 7,500,000
• Engineering, Legal & Other Professional Fees	\$ 1,750,000
• Contingency	\$ 1,975,000
Conference Center and Cultural Facilities Costs	\$16,500,000
Lifestyle Center Costs	\$ 8,250,000
Economic Development Costs	\$ 8,250,000
TOTAL PROJECT COSTS	\$54,725,000

II. *In 2008, after JQH agreed to release the City from its obligation to pay \$15 million for the conference center, the Project Plan was amended to reallocate \$7,750,000 of the original allocation for Conference Center and Cultural Facilities to Traffic and Roadway Improvements:*

Phase I Infrastructure and Public Improvements Costs	
• Traffic and Roadway Improvements (Development Agreement No. 1)	\$11,550,000
• Rock Creek Road Overpass	\$ 7,750,000
• Legacy Park	\$ 8,250,000
• Engineering, Legal & Other Professional Fees	\$ 1,750,000
• Unallocated Contingency	\$ 175,000
Conference Center and Cultural Facilities Costs	\$ 8,750,000
Lifestyle Center Costs	\$ 8,250,000
Economic Development Costs	\$ 8,250,000
TOTAL PROJECT COSTS	\$54,725,000

III. *According to a Memorandum from Anthony Francisco to the City of Norman and the TIF Trust, the following authorized project costs remained outstanding as of August 30, 2018:*

Category of Authorization	Amount of Authorization	Expenditures to Date	Remaining Authorization
Traffic/Roadway	\$11,550,000	\$11,120,848	\$429,152
Rock Creek Overpass*	\$5,212,000	\$5,142,323	\$69,677
Legacy Park Art/Landscape*	\$10,963,000	\$8,155,849	\$2,807,151
Initial Project Activities	\$1,750,000	\$1,050,287	\$699,713
Cultural Facilities	\$8,750,000	\$0	\$8,750,000
Lifestyle Center Costs	\$8,250,000	\$0	\$8,250,000
Economic Development Costs	\$8,250,000	\$4,174,066	\$4,075,934
TOTAL	\$54,725,000	\$29,643,373	\$25,081,627

* After the Rock Creek Overpass was completed, the City transferred most of the remaining authorized funds for that project to the Legacy Park project.

EXHIBIT B
UNP AGREEMENTS

Agreement	Date	Parties	Subject; Purpose
Master Operating and Development Agreement	August 22, 2006	City, UNP LLC, UTC	Processes for approvals and actions necessary to achieve objectives of Project Plan
Development Agreement No. 1	August 22, 2006	City, TIF Trust, UNP LLC, UTC	Funding commitments for initial Project activities
Master Financing Agreement	February 13, 2007	City, TIF Trust, JQH, UTC, UNP LLC, OU Foundation	Processes for funding certain Project Costs from proceeds of tax increment revenue bonds
Development Agreement No. 2 Amendment No. 1 to Development Agreement No. 2	June 12, 2007 June 12, 2007	City, TIF Trust, JQH, UTC, UNP LLC	Development of UNP Hotel Conference Center Project
Development Agreement No. 3	October 23, 2007	City, UNP LLC, UTC	Development of Legacy Park
Development Agreement No. 4	September 9, 2008	City, TIF Trust, UNP LLC, UTC, JQH, NEDC, OU Foundation	Release of City from obligation to purchase Conference Center; reallocation of Conference Center Project Costs; funding commitments for Rock Creek Road overpass and further enhancing development in University North Park
Series 2009 Supplemental Note Indenture	June 1, 2009	TIF Trust, Bank of Oklahoma, National Association, as Trustee, URI	Financing for certain Project Costs authorized under Project Plan, including portion of Legacy Park Project Costs, and portion of Traffic and Roadway Improvements Project Costs (including Rock Creek overpass)
Agreement to Reimburse Funds and Security Agreement	June 1, 2009	City, TIF Trust	Processes for administration of sales tax and ad valorem tax revenue from UNP TIF

Economic Development Agreement	September 21, 2010	City, TIF Trust, UNP LLC, UTC, NEDC, OU Foundation	Implementation of economic development provisions of Project Plan, Master Development Agreement and Development Agreement No. 4
Amended and Restated Purchase and Sale Agreement	October 15, 2010	UNP LLC, NEDC	NEDC's purchase of 30 acres from UNP LLC
Development Agreement No. 5 Amendment No. 1 to Development Agreement No. 5	May 8, 2012 April 28, 2016	City, TIF Trust, UNP LLC, UTC, URI	Legacy Park land donation and development, creation of BID, traffic and roadway improvements, Lifestyle Center commitments; Cultural Facility land donation
First Amendment to Series 2009 Supplemental Note Indenture	June 1, 2013	TIF Trust; BOKF, NA, dba Bank of Oklahoma, Trustee; URI	Incorporated certain provisions of Development Agreement No. 5 into Series 2009 Supplemental Note Indenture, including modification of funding priorities and reallocation of Project Costs to specified accounts maintained by Trustee
Closing Certificate and Ratification of Authority Closing Certificate and Ratification of City Receipt of Payment executed by URI	August 29, 2013	TIF Trust, City and URI	Executed upon issuance of \$14,215,000 TIF Trust Revenue Note Series 2013 to affirm that obligations in Sections 6.07 and 10.02 of Series 2009 Supplemental Note Indenture survive release of Indenture and re: payment of \$14,560,000 Series 2009 TIF Trust Revenue Note held by URI
Purchase and Sale Agreement	November 26, 2013	UNP LLC, NEDC	NEDC's purchase of 31.67 acres from UNP LLC
Development Agreement No. 6	January 28, 2014	TIF Trust, NEDC, and IMMY	IMMY's purchase of economic development lot from NEDC; use of TIF notes to assist with land acquisition costs
Second Amended and Restated Agreement Acknowledging Development Goals and Repurchase Rights	June 18, 2014	TIF Trust, NEDC, UNP LLC, RBT	Rights and obligations with respect to NEDC's indebtedness to RBT, and UNP's retained rights with respect to Economic Development Tracts

EXHIBIT C

LAND DONATED OR SOLD AT DISCOUNTED PRICE

<u>Donor/Seller</u>	<u>Donee/Buyer</u>	<u>Date</u>	<u>Land</u>	<u>Acres</u>	<u>Price</u>	<u>Value*</u>
OU Foundation	City	8/30/2006	Ruby Grant Park	148.79	\$750,000	\$2,000,000
UTC	City	8/14/2007	Conference Center site	11.25	\$0	\$4,000,000
UTC	City	8/28/2012	Legacy Park site	7.3342	\$0	\$3,000,000
UNP LLC	NEDC	10/13/2010	Corporate Centre – Section 1	30	\$1,633,500 (\$1.25/sf)	\$6,534,000 (\$5.00/sf)
UNP LLC	NEDC	12/5/2013	Corporate Centre – Section 2	31.67	\$1,724,430 (\$1.25/sf)	\$6,897,725 (\$5.00/sf)

* Based on comparable sales, appraisals, or market data at time of sale or donation.