

**THORPE NATIONAL
ECONOMIC DEVELOPMENT PROJECT PLAN**

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CITY OF BLANCHARD, OKLAHOMA

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THORPE NATIONAL
ECONOMIC DEVELOPMENT PROJECT PLAN

I. DESCRIPTION OF PROJECT

This Thorpe National Economic Development Project Plan (the “**Project Plan**”) describes an economic development project of the City of Blanchard, Oklahoma (the “**City**”) that brings a significant hospitality development to the City. The Project Plan contemplates the creation of a tax increment financing district pursuant to the Local Development Act, 62 O.S. §850, *et seq* (the “**Local Development Act**”), as authorized pursuant to Article 10, §6C of the Oklahoma Constitution. The purpose of the Increment District (as described herein) is to encourage the prospective redevelopment of an area located along State Highway 62 southwest of downtown Blanchard into a vibrant destination resort golf course with upscale residential and commercial amenities to attract visitors and long-term residents alike to Blanchard. The unique land topography provides for an ideal location for the proposed development, however the lack of public infrastructure improvements, including specifically water, sewer, and traffic improvements, will prohibit any meaningful development of the area. Sunshine Industries, LLC (together with their successors and/or assigns, collectively referred to herein as the “**Developers**”) is a locally based company formed for the purpose of developing mixed-use projects to include golf course developments, hospitality, food/beverage, luxury apartments, high end custom homes, contemporary patio homes, etc. The Developers have proposed to acquire and redevelop the abandoned Indian Ridge Golf Course area to create an approximately 935 acre golf resort, including approximately 80 acres of commercial development, approximately 743 master planned residential lots, and other upscale amenities (the “**Project**”). Preliminary projections based on the Developers’ master development planning provide a reasonable expectation for the City that collectively, the Developers could invest or cause to be invested in excess of \$638.7 million to construct the golf course and clubhouse, hotel and villas, an estimated 154,200 square feet of retail and commercial space as well as approximately 743 units of mixed product type including golf estate lots, golf villas, golf cottages, club estate lots, villas, condos and cottages ranging in size from under half-an-acre to over one-and-a-half acres, all over the next decade.

The City recognizes the difficulty in development of the area due to significant costs necessary to correct current conditions at the planned Project site, including specifically the significant infrastructure and utility improvements necessary to support the development project. The goal of the Increment District (as defined herein) is to promote economic development in the City by incentivizing capital investment in undeveloped property in order to enhance the tax base and create employment opportunities within the City. The City proposes to complete on a phased basis certain water and sewer system improvements, along with traffic improvements (collectively referred to herein as the “**TIF Projects**”), that will provide service to the development area and thereby allow proposed development projects to move forward. The City has identified an aggregate total of not-to-exceed \$42,668,000 in costs associated with the TIF Projects in connection with establishing the Increment District (as defined herein). The associated costs of the TIF Projects, along with the Organizational Costs and the Debt Service Costs (each as further defined herein) are collectively referred to herein as the “**Project Costs**”. The City expects to

phase the expenditure of Project Costs in coordination with specific development projects, and intends to apply other available funds as appropriate to offset the costs of the Increment District.

Pursuant to the terms of a development agreement(s) between the City and the Developers (as required by the Local Development Act defined herein), the TIF Revenues generated by virtue of the sales and use tax, ad valorem tax, and hotel tax levies by the City and the County shall be utilized as a revenue source to fund the costs of the TIF Projects. The TIF Revenues (as defined herein) will be used to pay the costs of the TIF Projects, reimburse the Organizational Costs, and/or pay the Debt Service Costs on obligations issued to pay the same.

Based solely on the preliminary projections prepared by the City based on the Developers' master planning, the commercial and residential development within the Increment District could result in a potential total capital investment in excess of \$638.7 million, with a potential total taxable capital investment of approximately \$511.5 million (net taxable value subject to ad valorem taxes) and generate approximately \$2.68 billion in taxable sales over the term of the Increment District. Please see Exhibit "E" for a more detailed description of projected development within the Increment District. Please see Exhibit "F" for a Preliminary Site Development Plan for the Project.

II. PROJECT AREA AND INCREMENT DISTRICT BOUNDARIES

The Increment District is the specific geographic area within which the identified tax increments, which may include Ad Valorem Increment Revenues, Sales Tax Increment Revenues, and Hotel Tax Increment Revenues, and may also include certain Leverage Act Increment Revenues, each as are defined in Section VII herein, will be generated and utilized as set forth in this Project Plan (referred to herein as the "**Increment District**"). The Project Area is the area within which all project activities, including construction of the supporting public improvements, will take place (referred to herein as the "**Project Area**"). The Increment District is located entirely within the Project Area. Most of the contemplated project activities will occur within the boundaries of the Increment District, however certain project activities may occur outside the boundaries of the Increment District but within the Project Area. A map showing the Increment District is attached as Exhibit "A". The legal description of the Increment District is set forth in Exhibit "B". A map showing the Project Area is attached as Exhibit "C". The legal description of the Project Area is set forth in Exhibit "D".

III. ELIGIBILITY OF PROJECT

The Increment District is undeveloped and/or underdeveloped within the meaning of the Local Development Act. The Project Area (including the Increment District) is located in a reinvestment area (as defined in Section 853(17) of the Local Development Act) and is therefore eligible for assistance under the Local Development Act. Additionally, the Project represents a major tourism destination project as defined under the Oklahoma Local Development and Enterprise Zone Incentive Leverage Act, 62 O.S. §840, *et seq.* (the "**Leverage Act**"), and

therefore may qualify for certain incentive matching payments made by the State of Oklahoma based on sales and use tax and hotel/motel tax increments dedicated to the Increment District.

The Increment District comprises an area where investment, development and economic growth have not occurred, and which requires significant public infrastructure improvements to serve as a catalyst to expand employment opportunities, to attract major investment in the area, and to enhance the tax base.

IV. OBJECTIVES

The purpose of the Project and the Increment District is to support the achievement of the economic development objectives of the City in order to:

- A. Create a significant commercial and residential development within the City that will act as a catalyst for additional development within the community;
- B. Attract major investment in the area;
- C. Serve as a catalyst for retaining and expanding employment in the area;
- D. Promote economic development to increase tax revenues, raise property values, and improve economic stability;
- E. Preserve and enhance the tax base; and
- F. Make possible investment, development and economic growth which would otherwise be difficult or impossible without the TIF Projects and the apportionment of ad valorem taxes and sales and use taxes from within the Increment District.

V. FINANCIAL IMPACTS

The proposed private development will generate tax increments necessary to pay all or a portion of the authorized costs of the TIF Projects. Without the creation of the proposed Increment District, significant development within the Increment District would be unlikely and as a result, any significant increases in ad valorem taxes and sales and use taxes would be extremely improbable.

The proposed development project does not create a significant increase in demand for services or costs to the affected taxing entities other than the City, whose public sector costs will be offset by apportioned tax increments as provided in this Project Plan.

The affected ad valorem taxing jurisdictions are Grady County, the Grady County Health Department, Elementary School District No. 96 of Grady County (Middleberg Public Schools, and referred to herein as “**Middleberg School District**”), Independent School District No. 29 of

McClain County (Blanchard Public Schools, referred to herein as “**Blanchard School District**”, and collectively with Middleberg School District, the “**School District**”), Mid-America Technology Center No. 8, Grady County EMS District, McClain-Grady EMS District No. 1, and Pioneer Library System. The general and intangible impacts on the affected taxing jurisdictions from implementation of this Project Plan are positive and include the achievement of the objectives set forth in Section IV of this Project Plan.

The creation of the Increment District will allow the City to apportion the incremental increase in ad valorem tax revenues, sales and use tax revenues, and hotel tax revenues generated through construction and operation of the commercial developments within the Increment District for the purpose of paying Project Costs, either through direct payment and/or reimbursement and/or paying debt service on tax apportionment bonds or notes (collectively, the “**TIF Bonds**”), which may be issued in one or more series by a public trust created under Title 60, Oklahoma Statutes 2021, Section 176 *et seq.*, for the benefit of the City and including any interest, capitalized interest and other related financing costs. The proceeds of any such TIF Bonds (if issued) shall be utilized for the Project Costs.

It is anticipated that a successful development will result in significant long-term benefits to the affected ad valorem taxing jurisdictions without causing significant (if any) negative impact on the existing tax base during the term of the Increment District. The formation of an Increment District should result in no net loss in existing ad valorem tax revenue to each of the affected ad valorem taxing jurisdictions. The formation of the Increment District will cause the affected ad valorem taxing jurisdictions to forgo any new incremental ad valorem tax revenue generated from real and personal property values during the term of the Increment District, but will not affect the existing ad valorem tax base within the Increment District. During the term of the Increment District, the 50.0% of Ad Valorem Increment Revenues (as defined herein) apportioned to the affected ad valorem taxing jurisdictions as a specific revenue source are estimated to be approximately \$43.29 million (ranging from \$23,600 to \$2,267,600 per year and based on the proposed development of the Projects), and which will be apportioned directly to the affected taxing jurisdictions. Upon expiration of the Increment District, the affected ad valorem taxing jurisdictions could see an aggregate net gain in annual ad valorem tax revenues of approximately \$4,535,300 (based on an aggregate taxable capital investment of approximately \$511.5 million). It is anticipated that the residential component of the Project will result in a net increase in the total student population for both School Districts, although this impact may be muted based on the expectation that a number of the residential units will serve as vacation and/or retirement homes that won't contribute to the student population. Middleberg School District currently serves K-8 students, and it is estimated over 90% of those students matriculate to Blanchard School District for high school. To offset the potential increase in student population, the Ad Valorem Increment Revenues allocated to each School District are classified as a specific revenue source for capital expenditures (and any related financing costs) for the benefit of the School District. Based on the projections of Ad Valorem Increment Revenues, Middleberg School District is expected to receive approximately \$31.4 million in net new taxing revenues over the term of the Increment District, and Blanchard School District is expected to receive approximately \$3.3 million in net new taxing revenues over the term of the Increment District. Additionally, Blanchard School District will received \$10 million for specific capital improvement projects that have been identified as authorized TIF Projects, and Middleberg School District will benefit from \$1.7 million in TIF Projects to extend water service to the school site.

Potential impacts on the ad valorem taxing jurisdictions include population growth and the demand for services created thereby. The direct impact on each ad valorem taxing jurisdiction is the loss of a portion of the new ad valorem tax increment revenues during the period of apportionment. An additional impact on the School District is that the valuation of the Increment District will not count for, and will therefore limit, the bonding capacity of the School District. However, the School District does realize additional revenue from other sources on a per pupil basis. These impacts may be mitigated by any increase in valuation of property outside the Increment District (for example, successful development enhances the property values surrounding the Increment District), and by any increase in new housing outside the Increment District (for example, successful development results in net population gain to the City creating demand for new housing).

The formation of an Increment District should result in no net loss in existing sales and use tax revenue to the City, as the affected sales tax jurisdiction. A baseline sales tax collection level within the Increment District will be identified and will continue to accrue to the City. A potentially negative impact of utilizing incremental sales tax revenues to promote the creation of a significant retail development is the potential for transfer of sales tax dollars from existing retail establishments located outside the Increment District to new retail establishments located inside the Increment District. To offset this concern, the Increment District will only capture fifty percent (50%) of the Sales Tax Increment Revenues (as defined herein), representing the equivalent of a two and one-half percent (2.5%) incremental sales and use tax based on a total of 5.0% sales and use tax levied by the City as of the date of this Project Plan) for the payment of Project Costs, with the other one and fifty percent (50%) of the Sales Tax Increment Revenues (representing 50% of the incremental sales and use tax revenue based on a total of 5.0% sales and use tax levied by the City as of the date of this Project Plan) accruing to the City for general or dedicated municipal purposes, and further, the incremental sales and use tax revenues will exclude an amount representing the estimated historical sales tax collections for any business located within the City that relocates to a site within the Increment District. Assuming completion of the proposed Project, the City could realize an estimated gross gain in annual sales and use tax revenues in the approximate amount of \$3.10 million, and upon expiration of the Increment District, an estimated gross gain in annual sales and use tax revenues of approximately \$7.43 million. Additionally, Grady County levies a 0.75% sales and use tax as of the date of this Project Plan. The County sales and use tax collections are not subject to the apportionment of the Increment District, however, it is estimated that upon completion of the proposed development of the Projects, the County could realize an estimated gross gain in annual sales and use tax revenues in the approximate amount of \$929,800.

The City will forgo a portion of any new incremental hotel/motel taxes collected during the term of the Increment District. However, the City could realize new hotel/motel tax levels of approximately \$1.52 million per year upon full buildout, and approximately \$3.05 million per year after expiration of the Increment District (based on an assumed level of annual taxable hotel/motel transactions upon full build-out in the approximate amount of \$76.37 million).

These impacts may be mitigated by any decrease in sales and use tax collections outside the Increment District (for example, potential decline in overall sales of competing businesses, or relocation of existing businesses from other areas of the City to the Increment District) or by increased costs of providing city services to the development (police, fire, etc.) but may be

augmented by the increased retention of customer spending within the City (for example, by reducing the leakage of sales to other municipalities by offering a wider and more diversified retail selection within the City).

The proposed Project will create an increase in demand for utility services from the City, however the City has sufficient capacity (with the completion of the proposed TIF Projects) to handle such demand, and the proposed development within the Increment District should generate significant increases in annual water and sewer utility revenues. Any increase in public sector costs should be more than offset by apportioned tax increments as provided in this Project Plan.

VI. STATEMENT OF PRINCIPAL ACTIONS

Implementation actions for the project, including all necessary, appropriate and supportive steps, will consist of any of the following:

A. Site preparation, planning and construction of public improvements necessary to support the development project;

B. Acquisition by private developers of any additional property interests necessary for the development project including connecting public easements;

C. Negotiation, preparation, execution, and implementation of development agreements, including agreements for financing, demolition, and construction by private developers, as authorized by the Local Development Act. Such agreements may include the granting of incentives for private developers to complete certain improvements within the Project Area;

D. Issuance of tax apportionment bonds or other debt issuance necessary to provide funds for Project Costs;

E. All other actions necessary and appropriate to carry out the development project as authorized by the Local Development Act.

VII. ESTABLISHMENT OF INCREMENT DISTRICT NO. 3, CITY OF BLANCHARD

Increment District No. 3, City of Blanchard shall commence as of the date determined by the City Council of the City in accordance with Section 856(B)(2) of the Local Development Act (the “**Commencement Date**”); provided however, each Commencement Date shall not be later than ten (10) years following adoption of this Project Plan. In accordance with the provisions of the Local Development Act, the following incremental revenues shall be apportioned and used to pay (or reimburse the payment of) Project Costs authorized pursuant to Section IX of this Project Plan. The apportionment of the Ad Valorem Increment Revenues, the Sales Tax Increment Revenues, the Hotel Tax Increment Revenues, and the Leverage Act Increment Revenues (each as defined herein, and collectively referred to as the “**TIF Revenues**”) shall continue for that period

required for the payment of the Project Costs, or a period not to exceed twenty-five (25) full fiscal years following the Commencement Date (expected to end June 30, 2049, and referred to as the “**Expiration Date**”), whichever is less:

A. One hundred percent (100.0%) of the total equalized assessed value of real and personal property within the boundaries of the Increment District. The base assessed value (as described in Section 862 of the Local Development Act) of the Increment District shall be calculated as an amount equal to one hundred percent (100.0%) of the initial equalized assessed value of real and personal property within the boundaries of the Increment District. In accordance with the provisions of the Local Development Act, one hundred percent (100%) of the increments of real and personal property ad valorem taxes generated within the Increment District, in excess of the real and personal property ad valorem taxes generated from the base assessed value of the Increment District, as such increments are determined and defined pursuant to the Local Development Act (collectively, the “**Ad Valorem Increment Revenues**”, and said amount representing one hundred percent (100.0%) of the total new ad valorem tax revenues generated within the boundaries of the Increment District, as determined annually by the Grady County Assessor), shall be apportioned as follows: (i) one-half (50.0%) of the Ad Valorem Increment Revenues shall be pledged as security for the payment of the TIF Bonds or otherwise used to pay (or reimburse the payment of) Project Costs authorized pursuant to Section IX of this Project Plan; and (ii) one-half (50.0%) of the Ad Valorem Increment Revenues shall be apportioned to the affecting taxing jurisdictions in proportion to the allocation that the taxing jurisdictions would ordinarily receive from the increased assessed values, in the absence of the Increment District (as set forth in Sections 853(9), 853(14)(i) and 854(4) of the Local Development Act; provided that any portion of the TIF Revenues allocated to the School District shall be for the purpose of providing a specific revenue source for capital expenditures (and any related financing costs) for the benefit of the School District; and

B. Fifty percent (50%) of the incremental sales and use tax revenue (representing an amount equivalent to a two and one-half percent (2.5%) sales and use tax based on a total of 5.0% sales and use tax levied by the City as of the date of this Project Plan pursuant to Chapter 1, Article 5, Section 1-75 *et seq.*, of the Blanchard Code of Ordinances (the “**Code of Ordinances**”), as such Code of Ordinances may be amended, replaced, extended, superseded, terminated, or otherwise modified from time to time, including with regards to the total amount of applicable City sales and use tax rate (collectively, the “**Sales Tax Increment Revenues**”); provided that all such Sales Tax Increment Revenues shall be pledged as security for the payment of the TIF Bonds or otherwise used to pay (or reimburse the payment of) Project Costs authorized pursuant to Section IX of this Project Plan; provided, however, the Sales Tax Increment Revenues shall be reduced by the amount of sales tax revenues generated by any existing businesses (currently located within the City, but outside the boundaries of the Increment District) that cease operations at their existing location and relocate to within the Increment District, but provided further, said reduction shall not be applied to any existing businesses that open an additional location within the Increment District for so long as all other existing location(s) remain open for business. Said amount of reduction (collectively, the “**Transfer Adjustment**”) shall be calculated based on the sales tax collections during the twelve month period prior to closing the previous location. The remaining unapportioned fifty percent (50%) incremental sales and use tax (representing an amount equivalent to a two and one-half percent (2.5%) sales and use tax based on a total of 5.0% sales and use tax levied by the City as of the date of this Project Plan) shall be

retained by the City and utilized on a pro rata basis for any lawful purpose consistent with the aforementioned Code of Ordinances.

C. Fifty percent (50%) of the incremental hotel/motel tax revenues derived from the Increment District, representing all of the total four percent (4.0%) hotel/motel tax levied by the City pursuant to Ordinance No. 718 of the City adopted February 25, 2020 (the “**Hotel Tax Ordinance**”), as such Hotel Tax Ordinance may be amended, replaced, extended, superseded, terminated, or otherwise modified from time to time, including with regards to the total amount of City hotel/motel tax rate (collectively, the “**Hotel Tax Increment Revenues**”); provided that all of the generated increment shall be pledged as security for the payment of the TIF Bonds or otherwise used to pay (or reimburse the payment of) Project Costs authorized pursuant to Section IX of this Project Plan. The remaining unapportioned fifty percent (50%) incremental hotel/motel tax revenues (representing an amount equivalent to a two percent (2.0%) hotel/motel tax based on a total of 4.0% hotel/motel tax levied by the City as of the date of this Project Plan) shall be retained by the City and utilized on a pro rata basis for any lawful purpose consistent with the aforementioned Hotel Tax Ordinance.

D. One hundred percent (100%) of the incentive matching payments made by the State of Oklahoma pursuant to the Leverage Act, based on sales and use tax and hotel/motel tax increments dedicated to the Increment District, as such amounts are hereinafter determined and defined (collectively, and as more specifically defined in Section X herein, the “**Leverage Act Increment Revenues**”); provided that all of the generated increment shall be pledged as security for the payment of the TIF Bonds or otherwise used to pay (or reimburse the payment of) Project Costs authorized pursuant to Section IX of this Project Plan.

VIII. PROJECT AND INCREMENT DISTRICT AUTHORIZATIONS

A. Upon adoption of an Ordinance of the City Council of the City approving this Project Plan, the City is hereby designated and authorized as the public entity to carry out and administer the provisions of this Project Plan and to exercise all powers necessary or appropriate thereto, including, without limitation, those powers described in Section 854 of the Local Development Act.

B. The City may create a new public trust with the City named as its beneficiary, and/or designate an existing public trust with the City named as its beneficiary (said public trust referred to herein as the “**Authority**”), and said Authority shall be the public entity designated by the City to assist in carrying out and administering the provisions of this Project Plan and authorized to exercise all powers necessary or appropriate thereto pursuant to Title 62, Section 854 of the Local Development Act, except for approval of this Project Plan and those powers enumerated in paragraphs 1, 2, 3, 4, 7, 13, and 16 of that section, which powers shall be reserved to the City.

C. The person in charge of implementation of this Project Plan in accordance with the provisions, authorizations and respective delegations of responsibilities contained herein is Mr. Robert Floyd, City Manager. Mr. Floyd, or his successor as City Manager, is authorized to

empower one or more designees to exercise responsibilities in connection with project implementation.

IX. BUDGET OF ESTIMATED PROJECT COSTS TO BE FINANCED FROM INCREMENT DISTRICT NO. 3

Project Costs to be financed by the apportionment of tax increments from the Increment District include the planning, design, acquisition, site preparation and/or construction of the TIF Projects in an aggregate total amount of \$42,668,000. Certain Project Costs may be funded through the payment of assistance in development financing (as authorized by Section 853(14)(o) of the Local Development Act) to a third party as reimbursement for the payment of such Project Costs. Additional amounts will be financed by the apportionment of tax increments from the Increment District including the following items related to Project Costs in excess of the amounts specifically identified for TIF Project Costs: (a) the direct or incidental administrative costs incurred or to be incurred by or on behalf of the City, the Authority, or other public entities (all as contemplated in Title 62, Section 853(14)(e) of the Local Development Act) in organizing, supervising, implementing and administering this Project Plan, including, but not limited to, payment and/or reimbursement of costs advanced in connection with the preparation and approval of this Project Plan, administrative costs, organizational costs, professional service costs, including those incurred for architectural, planning, engineering, legal and financial advisors and services, and costs for determining or re-determining the base assessed value of the Increment District (the “**Organizational Costs**”), and (b) interest and other financing costs and fees, including principal, interest (including capitalized interest), associated costs of issuance, reasonably required reserves, and prepayment premium paid on debt service and/or any reimbursement obligation (the “**Debt Service Costs**”). The Organizational Costs associated with the initial creation and implementation of the Increment District are preliminarily estimated to be approximately \$100,000, and the ongoing Organizational Costs are estimated to be \$10,000 per year. The Debt Service Costs associated with the Project Costs are preliminarily estimated to be on the order of not to exceed \$73,098,000.

The total estimate of Project Costs that may be made available for improvements from apportioned tax revenues shall be \$42,668,000 (including all engineering, construction, planning, and contingency costs). Apportioned tax revenues in excess of the amounts needed for Project Costs may be utilized as necessary to pay the Organizational Costs and the Debt Service Costs, and could total approximately \$73,448,000. The estimated combined total of all project costs is \$116,016,000.

X. METHODS OF FINANCING PROJECT COSTS, EXPECTED SOURCES OF REVENUES, AND TIME WHEN COSTS OR MONETARY OBLIGATIONS ARE TO BE INCURRED

It is hereby determined that the proposed Project Costs will generally benefit and support development throughout the Project Area, inclusive of the Increment District. It is further

determined that (i) the TIF Revenues derived from the Increment District may properly be utilized to pay any and all Project Costs within the Project Area; and (ii) it is proper and may be appropriate (at the discretion of the City) to pledge TIF Revenues from the Increment District to the repayment of TIF Bonds. Therefore, with respect to the Increment District:

A. Methods of Financing. It is expected that the Project Costs will be paid from proceeds of the Authority's TIF Bonds. Payment of principal and interest due on the TIF Bonds will be paid from available TIF Revenues. Certain Project Costs may be directly paid by a third party developer or the City and reimbursed from proceeds of the TIF Bonds. Alternately, certain Project Costs may also be directly paid by a third party developer or the City and reimbursed from TIF Revenues in excess of those needed for debt service on the TIF Bonds. Certain other costs of the Project may be paid from such other funds of the City or the Authority as may be lawfully used for the purposes hereinabove stated, including proceeds of certain debt obligations issued by the Authority and secured by a pledge of general sales tax, utility, or other available revenues.

B. Expected Sources of Revenues. The payment or reimbursement of Project Costs, including any interest component on reimbursed funds and any principal, interest, and premium on any TIF Bonds, will be made from one or more of the following sources of revenues:

(i) *Ad Valorem Increment Revenues.* In accordance with the provisions of the Local Development Act, the Ad Valorem Increment Revenues are to be apportioned and set aside from all other ad valorem taxes levied within the Increment District, to be used exclusively for:

- (a) the payment of principal, interest and premium, if any, on any TIF Bonds issued pursuant to Section 863 of the Local Development Act (including pledging as security for such payments);
- (b) the payment, if required, of amounts necessary to satisfy or replenish any reserve requirement established with respect to any TIF Bonds;
- (c) the payment of Project Costs incurred in connection with the development, construction, or implementation of the TIF Projects;
- (d) the reimbursement of a third party developer (pursuant to a development agreement with the City or the Authority), the City, or any agency thereof (including the Authority), which has paid Project Costs from funds which were not increments derived from the Increment District, but only to the extent that such sums were actually paid or, in the case of reimbursement of a third party developer, constitute an interest component on sums that were actually paid; and
- (e) the establishment and payment of a specific revenue source for affected taxing entities pursuant to Sections 853(9), 853(14)(i), and 854(4) of the Local Development Act.

Pursuant to the Local Development Act, the Ad Valorem Increment Revenues apportioned hereunder shall be transferred by the Grady County Treasurer to a special fund to be known as the "Increment District No. 3 - Apportionment Fund" (hereinafter, the "**Apportionment**

Fund”), which fund will be held by and be the property of the City (except that such fund may also be held by the Authority or a trustee acting on behalf of the Authority). No portion of such increments and no portion of the Apportionment Fund shall constitute a part of the general fund of the City. All Ad Valorem Increment Revenues so collected shall be apportioned as follows: (i) one-half (50.0%) of the Ad Valorem Increment Revenues shall be pledged as security for the payment of the TIF Bonds or otherwise used to pay (or reimburse the payment of) Project Costs authorized pursuant to Section IX of this Project Plan; and (ii) one-half (50.0%) of the Ad Valorem Increment Revenues shall be apportioned to the affecting taxing jurisdictions in proportion to the allocation that the taxing jurisdictions would ordinarily receive from the increased assessed values, in the absence of the Increment District (as set forth in Sections 853(9), 853(14)(i) and 854(4) of the Local Development Act; provided that any portion of the TIF Revenues allocated to the School District shall be for the purpose of providing a specific revenue source for capital expenditures (and any related financing costs) for the benefit of the School District.

The apportionment of ad valorem taxes pursuant to this section shall terminate upon the final payment of, or reimbursement for, all project costs incurred in connection with the projects listed in this Project Plan, and the payment of all outstanding principal, accrued interest, and premium due on the TIF Bonds; provided, however, that in no case shall the apportionment of revenues pursuant hereto extend beyond the Expiration Date.

In the event that any Project Costs remain unpaid, or any portion of the principal of or interest on the TIF Bonds, issued in connection herewith, or any amount due and owing for reimbursement to the City or the Authority or pursuant to a development agreement between the City and a Developer, remains unpaid as of the Expiration Date, then the Increment District shall not terminate until the increment apportioned during the term of the Increment District is actually received by the Apportionment Fund, even if the receipt of such revenues occurs subsequent to the Expiration Date.

(ii) *Sales Tax Increment Revenues.* In accordance with the provisions of the Local Development Act, the Sales Tax Increment Revenues are to be apportioned and set aside from all other sales and use taxes levied within the Increment District, to be used exclusively for:

- (a) the payment of principal, interest and premium, if any, on any TIF Bonds issued pursuant to Section 863 of the Local Development Act (including pledging as security for such payments);
- (b) the payment, if required, of amounts necessary to satisfy or replenish any reserve requirement established with respect to any TIF Bonds;
- (c) the payment of Project Costs incurred in connection with the development, construction, or implementation of the TIF Projects; and
- (d) the reimbursement of a third party developer, including any interest component (pursuant to a development agreement with the City and/or the Authority),

the City, or any agency thereof (including the Authority), which has paid Project Costs from funds which were not increments derived from the Increment District, but only to the extent that such sums were actually paid or, in the case of reimbursement of a third party developer, constitute an interest component on sums that were actually paid.

Provided, however, the remaining unapportioned incremental sales and use tax revenues derived from the Increment District, as of the date of this Project Plan representing the equivalent of 2.5% of the total 5.0% sales and use tax levied by the City, shall be retained by the City and utilized on a pro rata basis for any lawful purpose consistent with the aforementioned Code of Ordinances. For purposes of determining the incremental portion of the sales and use taxes generated within or sourced to the Increment District, the Mayor of the City shall certify as the “base sales tax amount” the annual sales taxes received by the City that were generated within the area comprising the Increment District during the calendar year immediately preceding the Commencement Date of the Increment District. If necessary for such certification, said base amount may be determined using reasonable estimates prepared by the City Clerk. The base sales tax amount is preliminarily projected to be \$0.00. Fifty percent (50%) of the sales and use tax generated within or sourced to the Increment District and received by the City which are in excess of such base amount, net of any Transfer Adjustment, shall be considered to be the “increment” subject to apportionment by this section. In addition to sales and use tax generated from retail sales, the Sales Tax Increment Revenues shall include sales and use tax generated from actual construction occurring within the Increment District. The City shall establish procedures related to the calculation and determination of construction related sales and use tax revenue qualifying as Sales Tax Increment Revenues. Such procedures shall stipulate that construction related Sales Tax Increment Revenues be derived only from new construction activities occurring within the Increment District. The City shall be entitled to rely on certifications of actual construction costs provided by a third party developer(s) or related parties in connection with determining any applicable Sales Tax Increment Revenues.

Pursuant to the Local Development Act, the Sales Tax Increment Revenues apportioned hereunder and so collected shall be placed into the Apportionment Fund. No portion of such increments and no portion of the Apportionment Fund shall constitute a part of the general fund of the City. All Sales Tax Increment Revenues so collected shall be pledged as security for the payment of the TIF Bonds or otherwise used to pay (or reimburse the payment of) Project Costs authorized pursuant to Section IX of this Project Plan, including any interest component (pursuant to a development agreement with the City and/or the Authority).

The apportionment of sales and use taxes pursuant to this section shall terminate upon the final payment of, or reimbursement for, all Project Costs incurred in connection with the projects listed in this Project Plan, and the payment of all outstanding principal, accrued interest, and premium due on the TIF Bonds; provided, however, that in no case shall the apportionment of revenues pursuant hereto extend beyond the Expiration Date.

In the event that any Project Costs remain unpaid, or any portion of the principal of or interest on the TIF Bonds, issued in connection herewith, or any amount due and owing for reimbursement to the City or the Authority or pursuant to a development agreement between the City and the Developer, remains unpaid as of the Expiration Date, then the Increment District shall not terminate until the increment apportioned during the term of the Increment District is actually received by the Apportionment Fund, even if the receipt of such revenues occurs subsequent to the Expiration Date.

(iii) *Hotel Tax Increment Revenues.* In accordance with the provisions of the Local Development Act, the Hotel Tax Increment Revenues are to be apportioned and set aside from all other hotel/motel taxes levied within the Increment District, to be used exclusively for:

- (a) the payment of principal, interest and premium, if any, on any TIF Bonds issued pursuant to Section 863 of the Local Development Act (including pledging as security for such payments);
- (b) the payment, if required, of amounts necessary to satisfy or replenish any reserve requirement established with respect to any TIF Bonds;
- (c) the payment of Project Costs incurred in connection with the development, construction, or implementation of the TIF Projects; and
- (d) the reimbursement of a third party developer (pursuant to a development agreement with the City or the Authority), including any interest component (pursuant to a development agreement with the City and/or the Authority), the City, or any agency thereof (including the Authority), which has paid Project Costs from funds which were not increments derived from the Increment District, but only to the extent that such sums were actually paid or, in the case of reimbursement of a third party developer, constitute an interest component on sums that were actually paid.

Provided, however, the remaining unapportioned incremental hotel/motel tax revenues derived from the Increment District, as of the date of this Project Plan representing the equivalent of 2.0% of the total 4.0% hotel/motel tax levied by the City, shall be retained by the City and utilized on a pro rata basis for any lawful purpose consistent with the aforementioned Hotel Tax Ordinance. For purposes of determining the incremental portion of the hotel/motel taxes generated within the Increment District, the Mayor of the City shall certify as the “base lodging tax amount” the annual hotel/motel taxes received by the City that were generated within the area comprising the Increment District during the calendar year immediately preceding the Commencement Date of the Increment District. If necessary for such certification, said base amount may be determined using reasonable estimates prepared by the City Clerk. The base lodging tax amount is preliminarily projected to be \$0.00. All hotel/motel tax revenue generated within the Increment District and received by the City which are in excess of such base amount, shall be considered to be the “increment” subject to apportionment by this section.

Pursuant to the Local Development Act, the Hotel Tax Increment Revenues apportioned hereunder and so collected shall be placed into the Apportionment Fund. No portion of such increments and no portion of the Apportionment Fund shall constitute a part of the general fund of the City. All Hotel Tax Increment Revenues so collected shall be pledged as security for the payment of the TIF Bonds or otherwise used to pay (or reimburse the payment of) Project Costs authorized pursuant to Section IX of this Project Plan, including any interest component (pursuant to a development agreement with the City and/or the Authority).

The apportionment of hotel/motel taxes pursuant to this section shall terminate upon the final payment of, or reimbursement for, all Project Costs incurred in connection with the projects listed in this Project Plan, and the payment of all outstanding principal, accrued interest, and premium due on the TIF Bonds; provided, however, that in no case shall the apportionment of revenues pursuant hereto extend beyond the Expiration Date.

In the event that any Project Costs remain unpaid, or any portion of the principal of or interest on the TIF Bonds, issued in connection herewith, or any amount due and owing for reimbursement to the City or the Authority or pursuant to a development agreement between the City and the Developer, remains unpaid as of the Expiration Date, then the Increment District shall not terminate until the increment apportioned during the term of the Increment District is actually received by the Apportionment Fund, even if the receipt of such revenues occurs subsequent to the Expiration Date.

(iv) *Leverage Act Increment Revenues.* In accordance with the provisions of the Local Development Act, the Leverage Act Increment Revenues are to be apportioned and set aside from all other revenues generated within the Increment District, to be used exclusively for:

- (a) the payment of principal, interest and premium, if any, on any TIF Bonds issued pursuant to Section 863 of the Local Development Act (including pledging as security for such payments);
- (b) the payment, if required, of amounts necessary to satisfy or replenish any reserve requirement established with respect to any TIF Bonds;
- (c) the payment of Project Costs incurred in connection with the development, construction, or implementation of the TIF Projects; and
- (d) the reimbursement of a third party developer (pursuant to a development agreement with the City or the Authority), including any interest component (pursuant to a development agreement with the City and/or the Authority), the City, or any agency thereof (including the Authority), which has paid Project Costs from funds which were not increments derived from the Increment District, but only to the extent that such sums were actually paid or, in the case of reimbursement of a third party developer, constitute an interest component on sums that were actually paid.

The City shall establish procedures related to application under the Leverage Act for sales and use tax and hotel/motel tax matching funds. It is hereby recognized that any Leverage Act Increment Revenues represent a substantial economic benefit to the City and the development of the Project, and the City and the Authority shall take all reasonable actions necessary to maximize the Leverage Act Increment Revenues.

Pursuant to the Local Development Act, the Leverage Act Increment Revenues apportioned hereunder and so collected shall be placed into the Apportionment Fund. No portion of such increments and no portion of the Apportionment Fund shall constitute a part of the general fund of the City. All Leverage Act Increment Revenues so collected shall be pledged as security for the payment of the TIF Bonds or otherwise used to pay (or reimburse the payment of) Project Costs authorized pursuant to Section IX of this Project Plan, including any interest component (pursuant to a development agreement with the City and/or the Authority).

The apportionment of matching incentive funds pursuant to this section shall terminate upon the final payment of, or reimbursement for, all Project Costs incurred in connection with the projects listed in this Project Plan, and the payment of all outstanding principal, accrued interest, and premium due on the TIF Bonds; provided, however, that in no case shall the apportionment of revenues pursuant hereto extend beyond the Expiration Date.

In the event that any Project Costs remain unpaid, or any portion of the principal of or interest on the TIF Bonds, issued in connection herewith, or any amount due and owing for reimbursement to the City or the Authority or pursuant to a development agreement between the City and the Developer, remains unpaid as of the Expiration Date, then the Increment District shall not terminate until the increment apportioned during the term of the Increment District is actually received by the Apportionment Fund, even if the receipt of such revenues occurs subsequent to the Expiration Date.

C. Time When Costs Or Monetary Obligations Are To Be Incurred. It is estimated that the time frame for incurring most of the Project Costs will be within five to seven years from the date of approval of this Project Plan; however, certain Project Costs will not be incurred until appropriate development projects within the Increment District are identified by the City. It is anticipated that most Project Costs will be paid from proceeds of TIF Bonds issued by the Authority, provided however, certain Project Costs may be directly paid or reimbursed from apportioned TIF Revenues.

D. Flow of Funds; Excess Revenues.

During the term of the Increment District, TIF Revenues shall be utilized as follows:

- FIRST: The payment of principal, accrued interest, and premium, if any, due on the TIF Bonds;
- SECOND: If applicable, transfers to any debt service reserve established in connection with the TIF Bonds in such amounts as may be necessary to restore the reserve to its prescribed levels;

- THIRD: The payment and/or reimbursement of authorized Project Costs (including any interest component pursuant to a development agreement);
- FOURTH: If applicable, the prepayment of principal on any TIF Bonds until such time as all TIF Bonds are retired; and
- FIFTH: Upon retirement of all TIF Bonds (if any) and payment of all Project Costs (including any interest component pursuant to a development agreement), (a) any remaining Ad Valorem Increment Revenues shall be transferred to the various ad valorem taxing jurisdictions, in the same percentages as originally collected, as determined by reference to the millage levied by each of the various ad valorem taxing jurisdictions for the related tax year, excluding sinking fund levies, and (b) any remaining Sales Tax Increment Revenues and/or Hotel Tax Increment Revenues shall be transferred to the City for deposit into the General Fund or to the appropriate special fund, in each case consistent with the provisions of the Local Development Act. Any remaining Leverage Act Increment Revenues either shall be treated appropriately as ad valorem tax revenue, sales and use tax revenue, or hotel/motel tax revenue, and shall be transferred as set forth in (a) and (b) herein, or, if required by the Leverage Act, shall be returned to the State of Oklahoma.

XI. FINANCING REVENUE SOURCES

The TIF Revenues are expected to finance all or a portion of the Project Costs authorized by Section IX. Based on the initial projections of Ad Valorem Increment Revenues for the Project, it is estimated that approximately \$86.58 million could be generated by the incremental increase in ad valorem tax revenue during the term of the Increment District, with approximately \$43.29 million available for allocation to Project Costs and approximately \$43.29 million apportioned to the affected ad valorem taxing jurisdictions. The initial projections of Ad Valorem Increment Revenues are based upon an estimated \$511.5 million aggregate taxable capital investment, an 11% assessment rate for real property, an 11% assessment rate for business personal property, and an approximately 7.859% millage levy within the Increment District (based on the 2023 levy rate for property located within Middleberg School District), or an approximately 10.847% millage levy within the Increment District (based on the 2023 levy rate for property located within Blanchard School District), allocated based on the projected development.

Based on the initial projections of Sales Tax Increment Revenues for the Project, it is estimated that approximately \$134.32 million could be generated by the incremental increase in sales and use tax revenue during the term of the Increment District, with approximately \$67.16 million available for allocation to Project Costs and approximately \$67.16 million retained by the City. The initial projections of incremental sales and use tax revenue are based upon the projected revenues generated within the Increment District from the levy of an aggregate total of five percent (5.0%) sales and use tax on new construction within the Increment District and new retail and other

space generating approximately \$2.68 billion in gross taxable sales during the term of the Increment District.

Based on the initial projections of Hotel Tax Increment Revenue, it is estimated that approximately \$57.98 million could be generated by the incremental increase in hotel/motel tax revenue during the term of the Increment District, with approximately \$28.99 million available for allocation to Project Costs and approximately \$28.99 million retained by the City and allocated. The initial projections of incremental hotel/motel tax revenue are based upon the revenues generated within the Increment District from the levy of four percent (4.0%) room occupancy tax, and occupancy generating approximately \$1.45 billion in gross occupancy sales during the term of the Increment District.

Additional TIF Revenues may be realized through state matching incentive payments made pursuant to the Leverage Act, as set forth in Section X(B)(iv) above (i.e. the Leverage Act Increment Revenues). Based on the initial projections of revenue and the level of apportionment of sales and use tax and hotel/motel tax to Project Costs, state matching payments could make available up to an additional \$96.15 million for Project Costs, although it is expected that only a portion of the taxable transactions may qualify for state matching incentive payments.

The calculation of projected TIF Revenues will be refined based upon (i) the actual effective ad valorem tax rate and base assessed valuation, as determined from time to time by the Grady County Assessor and subject to change by voters of the applicable taxing jurisdiction at an election(s) held for such purpose, (ii) the total net capital investment resulting from development within the Increment District, (iii) the timing of the development; (iv) the impact of the specific nature of the actual retail investment on projected sales per square foot, and (v) the availability, occupancy, and rates and charges established for lodging establishments within the Increment District.

The realization of the TIF Revenues is directly dependent on the City's ability to attract development proposals on a magnitude necessary to fully develop the area within the Increment District during the term of the Increment District. The Authority and/or the City may enter into economic development agreements with the Developer(s) or any other parties as required by the Local Development Act.

Certain TIF Projects may be designed and/or constructed by the City. Authorized Project Costs, or the payment of debt service on TIF Bonds issued to pay Project Costs, will be paid from TIF Revenues by the City or the Authority, and may include (i) reimbursement of the City or the Authority for certain public improvements constructed from other available funds, and (ii) assistance in development financing (as authorized by the Local Development Act) to the Developer for certain public infrastructure and/or other site improvements constructed on behalf of the City in furtherance of the purposes of this Project Plan. The financing of the projected private development in the area may be provided by private equity and private mortgage financing, secured by the private developments.

XII. PUBLIC REVENUE ESTIMATED TO ACCRUE FROM THE PROJECT AND OTHER ECONOMIC IMPACTS

The Ad Valorem Increment Revenues, the Sales Tax Increment Revenues, and the Hotel Tax Increment Revenues (estimated at a total of approximately \$139.44 million over the term of the Increment District based on the projected development of the Project, but not including potential Leverage Act matching incentive funds from the State), of which portions will serve as all or a portion of the revenue source for financing the Project Costs authorized by Section IX of this Project Plan, are the public revenues directly attributable to the project defined by establishment of the Increment District. Additionally, the various taxing jurisdictions may realize additional ad valorem tax and/or sales and use tax revenue from additional development outside the boundaries of the Increment District.

Construction of the improvements and subsequent development should have a positive impact on total employment in the City's metropolitan area, including temporary construction jobs and permanent positions at the Project facilities. Indirect impacts (associated with the employment and income which result from the provision of inputs in support of the primary activity), and induced impacts (associated with the wages and jobs resulting from changes in household expenditures which come about through direct and indirect employment) will also result in additional growth in the City's metropolitan area.

This Project Plan includes certain projections and estimates, which are based on the current expectations or beliefs of third party developer(s) and are subject to uncertainty and changes in circumstances. Actual results may vary materially from the expectations contained herein due to changes in economic conditions, market demand and other factors affecting the development of the Project.

XIII. PRIVATE AND PUBLIC INVESTMENTS EXPECTED FOR THE PROJECT

The publicly financed project costs in the amount of \$42,668,000, as authorized by this Project Plan, represent approximately 6.26% of the projected total public and private investment for the Project, which including anticipated expenditures by or on behalf of commercial or governmental entities within the Increment District, could exceed \$681.3 million.

XIV. MISCELLANEOUS PROVISIONS

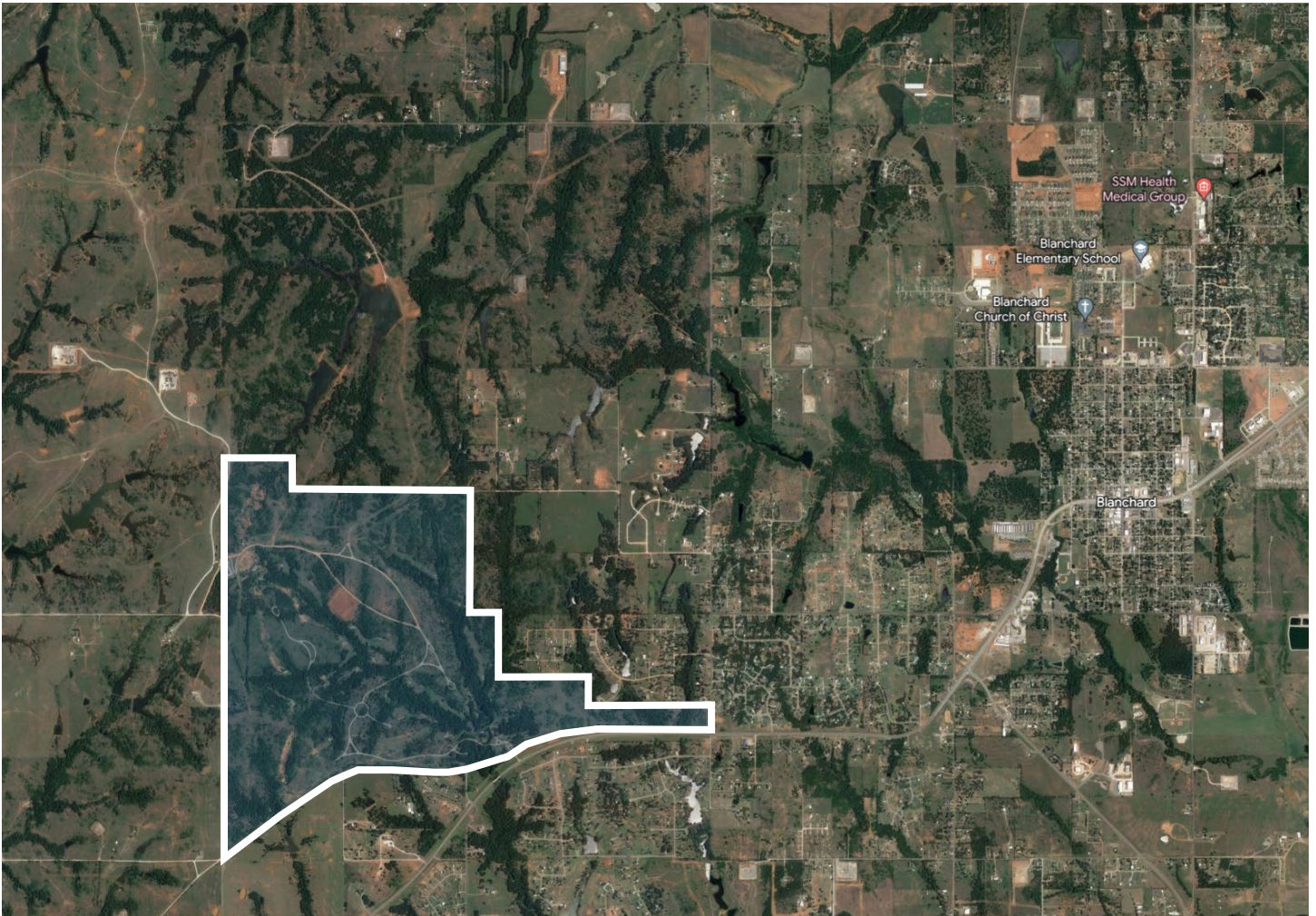
A. Zoning Conditions. The property within the boundaries of the Increment District is currently zoned as agricultural district (A-1). No changes in the ordinances of the City (other than minor zoning adjustments to accommodate the proposed Project) are contemplated under this Project Plan. Development is anticipated to occur in accordance with current zoning requirements, with appropriate adjustments as approved by the City. The proposed project conforms to the comprehensive plan for the City, as amended. A map showing the existing uses and conditions of the real property is included as Exhibit "G".

B. Annual Reports. In accordance with Section 867 of the Local Development Act, following the end of each fiscal year, the City shall prepare and submit a report to the chief executive officer of each taxing entity that levies ad valorem taxes on property within each Increment District. At the time of submitting the report, the City shall also publish a notice and summary of the report in a newspaper of general circulation.

EXHIBIT "A"

MAP OF INCREMENT DISTRICT NO. 3

The boundaries of Increment District No. 3, City of Blanchard contain an area generally described as the property north of State Highway 62, east of County N2960 Rd (extended), south of County E1295 Rd (Extended), and mostly west of County N2970 Rd/Sara Road (extended).



* Increment District boundaries contained within white border and shaded blue

EXHIBIT "B"

INCREMENT DISTRICT LEGAL DESCRIPTION

INCREMENT DISTRICT NO. 3

A Tract of land located in Sections Thirty-four (34), Twenty-seven (27), and Thirty-five (35), Township Eight (8) North, Range Five (5) West of the Indian Meridian, Grady County, Oklahoma.

COMMENCING at the Southwest Corner of said Section 34, Thence on the West line of the Southwest Quarter (SW4) of said Section 34 as the Basis of Bearing;

Thence N00°12'01"W a distance of 111.88 feet to the North line of the Existing Right of Way of Old Highway 62, 277, 9 and the POINT OF BEGINNING;

Thence continuing, N00°12'01"W a distance of 2534.11 feet to the Southwest Corner of the NW4 of said Section 34;

Thence N00°07'24"W a distance of 2640.23 feet to the Northwest Corner of Section 34 and the Southwest Corner of Section 27;

Thence N00°17'41"W a distance of 2650.75 feet to the Northwest Corner of the SW4 of Section 27;

Thence N00°11'09"W a distance of 570.00 feet;

Thence S89°48'17"E a distance of 1320.00 feet;

Thence S00°11'09"E a distance of 570.00 feet;

Thence S89°48'17"E a distance of 3963.33 feet to the Northeast Corner of the SE4 of Section 27;

Thence S00°10'06"E a distance of 2618.84 feet to the Southeast Corner of Section 27;

Thence N89°42'30"E a distance of 659.99 feet to the West Line of Rolling Hills Estates;

Thence on the Border of Rolling Hills Estates for the Next Four (4) Calls located in Section 35, S00°11'07"E a distance of 1320.21 feet;

Thence N89°43'31"E a distance of 1980.05 feet;

Thence S00°11'19"E a distance of 660.39 feet;

Thence N89°43'41"E a distance of 2640.13 feet to the East line of the SE4 of Section 35;

Thence S00°11'47"E a distance of 470.61 feet to the North Right of Way line of Old Highways 62, 277 and 9;

Thence on the North line of said Right of Way for the next Twelve calls, S89°47'00"W a distance of 1775.57 feet;

Thence N86°28'19"W a distance of 253.23 feet;

Thence on a curve turning to the left with an arc length of 1140.02 feet, a radius of 4144.43 feet, a chord bearing of S81°45'01"W, and a chord distance of 1136.42 feet;

Thence S89°39'30"W a distance of 294.21 feet;

Thence on a curve turning to the left with an arc length of 782.72 feet, a radius of 1195.92 feet, a chord bearing of S70°58'31"W, and a chord distance of 768.83 feet;

Thence S52°14'09"W a distance of 72.89 feet;

Thence on a curve turning to the right with an arc length of 526.25 feet, a radius of 1359.90 feet, a chord bearing of S63°19'19"W, and a chord distance of 522.97 feet;

Thence S74°24'29"W a distance of 755.53 feet;

Thence on a curve turning to the right with an arc length of 458.39 feet, a radius of 1405.22 feet, a chord bearing of

S83°45'42"W, and a chord distance of 456.36 feet;

Thence N86°54'28"W a distance of 1444.56 feet;

Thence on a curve turning to the left with an arc length of 998.05 feet, a radius of 1482.07 feet, a chord bearing of S73°48'06"W, and a chord distance of 979.30 feet;

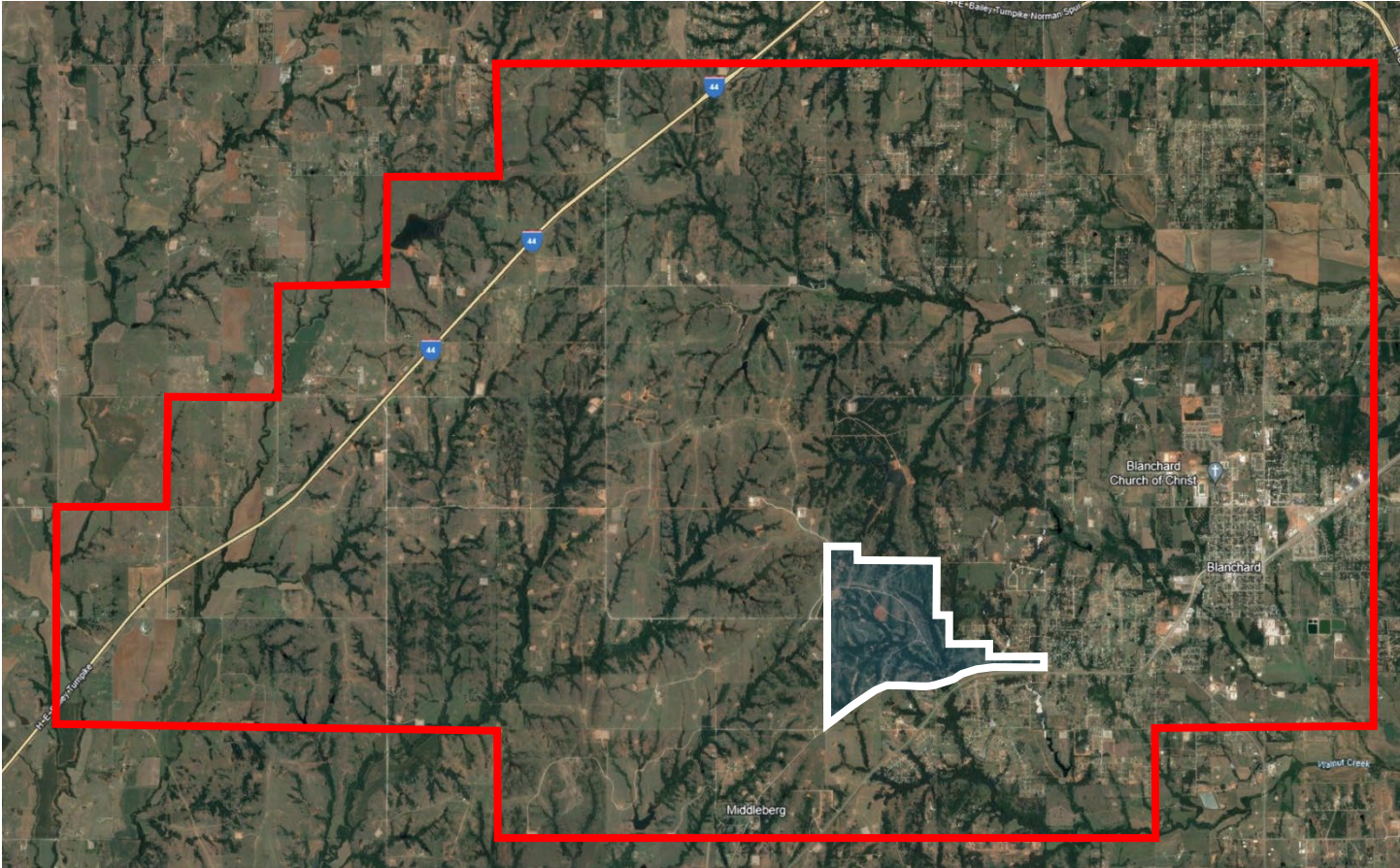
Thence S54°33'26"W a distance of 2808.16 feet back to the POINT OF BEGINNING.

This description contains 40,685,873 Square Feet or 934.02 Acres more or less.

EXHIBIT “C”

MAP OF ECONOMIC DEVELOPMENT PROJECT AREA

The boundaries of the Project Area associated with Increment District No. 3, City of Blanchard contain an area comprising 68 square miles, roughly bordered on the south by E 1320 Rd, on the west by the H.E. Bailey Turnpike (I-44), on the north by E 1250 Rd (Sandrock Road), and on the east by N. Rockwell Ave.



* Project Area is outlined by red border. Increment District boundaries contained within white border and shaded blue

EXHIBIT “D”

PROJECT AREA LEGAL DESCRIPTION

INCREMENT DISTRICT NO. 3 PROJECT AREA

An area located in Grady County, Oklahoma, and McClain County, Oklahoma, more particularly described as follows:

All of Sections One (1) through Six (6), Township 7 North, Range 5 West of the Indian Base and Meridian, Grady County, Oklahoma.

All of Sections One (1) through Thirty Six (36), Township 8 North, Range 5 West of the Indian Base and Meridian, Grady County, Oklahoma.

All of Sections Twelve (12) through Fourteen (14), Twenty Two (22) through Twenty Eight (28), and Thirty Three (33) through Thirty Six (36), Township 8 North, Range 6 West of the Indian Base and Meridian, Grady County, Oklahoma.

All of Sections Five (5) through Eight (8), Seventeen (17) through Twenty (20), and Twenty Nine (29) through Thirty Two (32), Township 8 North, Range 4 West of the Indian Base and Meridian, McClain County, Oklahoma.

EXHIBIT “E”**PROPOSED DEVELOPMENT IN THE PROJECT AREA
AND INCREMENT DISTRICT**

This Thorpe National Economic Development Project Plan describes an economic development project of the City of Blanchard, Oklahoma, that brings a significant hospitality development to the City. The Project Plan contemplates the creation of a tax increment financing district pursuant to the Local Development Act, 62 O.S. §850, *et seq*, as authorized pursuant to Article 10, §6C of the Oklahoma Constitution. The purpose of the Increment District is to encourage the prospective redevelopment of an area located along State Highway 62 southwest of downtown Blanchard into a vibrant destination resort golf course with upscale residential and commercial amenities to attract visitors and long-term residents alike to Blanchard. The unique land topography provides for an ideal location for the proposed development, however the lack of public infrastructure improvements, including specifically water, sewer, and traffic improvements, will prohibit any meaningful development of the area. Sunshine Industries, LLC is a locally based company formed for the purpose of developing mixed-use projects to include golf course developments, hospitality, food/beverage, luxury apartments, high end custom homes, contemporary patio homes, etc. The Developers have proposed to acquire and redevelop the abandoned Indian Ridge Golf Course area to create an approximately 935 acre golf resort, including approximately 80 acres of commercial development, approximately 743 master planned residential lots, and other upscale amenities (the “**Project**”). Preliminary projections based on the Developers’ master development planning provide a reasonable expectation for the City that collectively, the Developers could invest or cause to be invested in excess of \$638.7 million to construct the golf course and clubhouse, hotel and condominiums, an estimated 154,200 square feet of retail and commercial space as well as approximately 743 units of mixed product type including golf estate lots, golf villas, golf cottages, club estate lots, villas, condos and cottages ranging in size from under half-an-acre to over one-and-a-half acres, all over the next decade.

The City recognizes the difficulty in development of the area due to significant costs necessary to correct current conditions at the planned Project site, including specifically the significant infrastructure and utility improvements necessary to support the development project. The goal of the Increment District (as defined herein) is to promote economic development in the City by incentivizing capital investment in undeveloped property in order to enhance the tax base and create employment opportunities within the City. The City proposes to complete on a phased basis certain water and sewer system improvements, along with traffic improvements, that will provide service to the development area and thereby allow proposed development projects to move forward. The City has identified an aggregate total of not-to-exceed \$42,668,000 in costs associated with the TIF Projects in connection with establishing the Increment District (as defined herein). The City expects to phase the expenditure of Project Costs in coordination with specific development projects, and intends to apply other available funds as appropriate to offset the costs of the Increment District.

Based solely on the preliminary projections prepared by the City based on the Developers’ master planning, the commercial and residential development within the Increment District could result in a potential total capital investment in excess of \$638.7 million, with a potential total taxable capital investment of approximately \$511.5 million (net taxable value subject to ad

valorem taxes) and generate approximately \$2.68 billion in taxable sales over the term of the Increment District. Please see Exhibit “F” for a Preliminary Site Development Plan for the Project.

The estimated \$638.7 million capital investment and \$2.68 billion in total taxable sales for Thorpe National Development Project is based on the following assumptions:

- Commercial District (located in Blanchard School District)
 - Approximately 74,800 square feet retail and restaurant space, with average build cost of \$270/sf and average retail sales of \$284/sf completed in 2026-2028.
 - Approximately 67,400 square feet of commercial non-retail space, with average build cost of \$334/sf completed in 2026-2028.
- Golf Resort with Hotel/Condominium (located in Middleberg School District)
 - Land Acquisition cost of \$6 million.
 - Golf Course constructed at estimated cost of \$18 million.
 - Golf Clubhouse constructed at estimated cost of \$12 million, generating approximately \$6 million in annual taxable sales by 2028.
 - Approximately 48 units of Golf Villas with projected \$18 million capital investment and average occupancy rates of \$600 per night, with a 35% occupancy factor.
 - Approximate 250 units of hotel space with projected \$37.5 million capital investment and average occupancy rates of \$374 per night, with a 35% occupancy factor.
 - Approximately 8,000 square foot event space, with build cost of \$120/sf and average daily rental of \$2,000 based on 25% occupancy
 - Approximately 4,000 square feet high end restaurant space, with build cost of \$500/sf and average retail sales of \$500/sf completed in 2027.
- Residential (located in Middleberg School District)
 - Approximately 743 single family residential units with an average cost per unit of \$675,000, completed over the period of 2025-2039. It is further projected that approximately 60 units will be available for rental, with 25% occupancy and average rental rate of \$600 per night.

Please see Exhibit “F” for a Preliminary Site Development Plan for preliminary layouts of the entire project and the proposed commercial district.

The City has identified significant public infrastructure projects totaling \$42,668,000 that will ultimately be necessary in order to service the proposed Increment District, including street and bridge infrastructure improvements and water/sewer infrastructure projects, and address capital impacts for Blanchard School District. The immediate limiting factor for any development to occur within the Increment District will be the provision of sewer service. Essentially, no organized development will be able to move forward without the availability of City sewer. The next limiting factor will be to bolster the City's capacity to provide water service to the area. Water service is currently available in the area, but will not be adequate to support significant development. The City plans to prioritize the water and sewer project costs, and will complete traffic infrastructure in later phases as supporting development progresses and necessitates those improvements. The Project Costs identified in connection with the proposed development of the Increment District are as follows:

- Water and Sewer Infrastructure (\$13,228,000)
 - \$1,692,000 Extend waterline to serve Middleberg School District
 - \$558,000 Extend waterlines to serve Increment District area
 - \$10,978,000 Pump sewage to existing City treatment facility, or in the alternative construct new treatment facilities and necessary sewer line extensions

- Traffic Infrastructure (\$10,989,000)
 - \$3,886,000 17,269.95 L.F. of Road Improvements – Old US-62 at \$225/L.F.
 - \$900,000 Intersection Modification and Signalization (US-62 @ Morgan Road) including drainage improvements
 - \$16,000 Traffic Impact Analysis (TIA)
 - \$6,187,000 27,496 L.F. of Road Improvements – Sara Road to I-44 at \$225/L.F.

- Blanchard School District Infrastructure (\$10,000,000)
 - The following projects will represent a TIF contribution to offset potential capital impacts to Blanchard High School. The listed projects are expected to supplement funding from proceeds of a future general obligation bond issue of the Blanchard School District, subject to voter approval.
 - \$3,000,000 High School Classroom Addition with Safe Room (\$10,500,000 estimated total project cost)
 - \$4,000,000 Relocate Baseball/Softball Facility to Blanchard High School campus (\$14,000,000 estimated total project cost)

- \$3,000,000 Fieldhouse for Football and Soccer (\$10,500,000 estimated total project cost)
- McClain-Grady EMS District Infrastructure (\$600,000)
 - The following projects will represent a TIF contribution to offset potential capital impacts to McClain-Grady EMS District. The amount is derived from a calculation of the present value of one percent (1.0%) of the projected aggregate Ad Valorem Increment Revenues over the term of the Increment District, assuming a discount factor of 2.356% annually.
 - \$600,000 Capital equipment costs related to providing ambulance service, including but not limited to ambulance rigs and emergency response equipment.
- Other Project Costs (\$7,851,000)
 - \$3,633,000 Contingency (15%)
 - \$2,907,000 Engineering (12%)
 - \$1,211,000 Inspections/Testing/Advertising (5%)
 - \$100,000 Organizational Costs of the Increment District
- Interest and related financing costs, in an estimated amount not to exceed \$73,096,000, along with annual administration costs associated with the Increment District not in excess of \$10,000 per year, will be paid from available TIF Revenues in addition to the specifically identified Project Costs.

The payment of the costs of the Blanchard School District Infrastructure, the McClain-Grady EMS District Infrastructure, and the water line to provide service to Middleberg School District (estimated at \$12.3 million) plus any related financing costs (estimated at not in excess \$20.33 million), shall be payable only from the 50% of Ad Valorem Increment Revenues allocated to Project Costs; provided, however, the City (in its sole discretion) may provide for the payment and/or financing of such costs from any available source(s) and recoup any amounts expended therefore from future Ad Valorem Increment Revenues.

EXHIBIT “F”

PRELIMINARY SITE DEVELOPMENT PLAN*

THORPE NATIONAL DEVELOPMENT PROJECT

* See following pages for preliminary layouts of commercial district development and golf course/residential development. Layouts are subject to change.

MASTERPLANNING
LOTING DIAGRAM



OPTION 1

PHASE 1 - 272 LOTS

- VILLA TYPE 1 - 25
- VILLA TYPE 2 - 24
- VILLA TYPE 3 - 51
- VILLA TYPE 4 - 27
- VILLA TYPE 5 - 53
- GOLF VILLA - 92

OPTION 2

PHASE 1 - 215 LOTS

- VILLA TYPE 1 - 3
- VILLA TYPE 2 - 24
- VILLA TYPE 3 - 12
- VILLA TYPE 4 - 0
- VILLA TYPE 5 - 84
- GOLF VILLA - 92

PHASE 1A - 199 LOTS

- VILLA TYPE 1 - 9
- VILLA TYPE 3 - 27
- VILLA TYPE 4 - 15
- VILLA TYPE 5 - 148

PHASE 1A - 290 LOTS

- VILLA TYPE 1 - 38
- VILLA TYPE 3 - 101
- VILLA TYPE 4 - 34
- VILLA TYPE 5 - 117

PHASE 2 - 272 LOTS

- VILLA TYPE 1 - 45
- VILLA TYPE 3 - 119
- VILLA TYPE 4 - 36
- VILLA TYPE 5 - 72

PHASE 2 - 238 LOTS

- VILLA TYPE 1 - 38
- VILLA TYPE 3 - 84
- VILLA TYPE 4 - 44
- VILLA TYPE 5 - 72

MASTER PLAN TOTAL - 743 LOTS

- VILLA TYPE 1 - 79
- VILLA TYPE 2 - 24
- VILLA TYPE 3 - 197
- VILLA TYPE 4 - 78
- VILLA TYPE 5 - 273
- GOLF VILLA - 92










The total vision.

Hotel & additional commercial phases

This potential long term development includes only preliminary and non-engineered platting. All items are subject to further change.

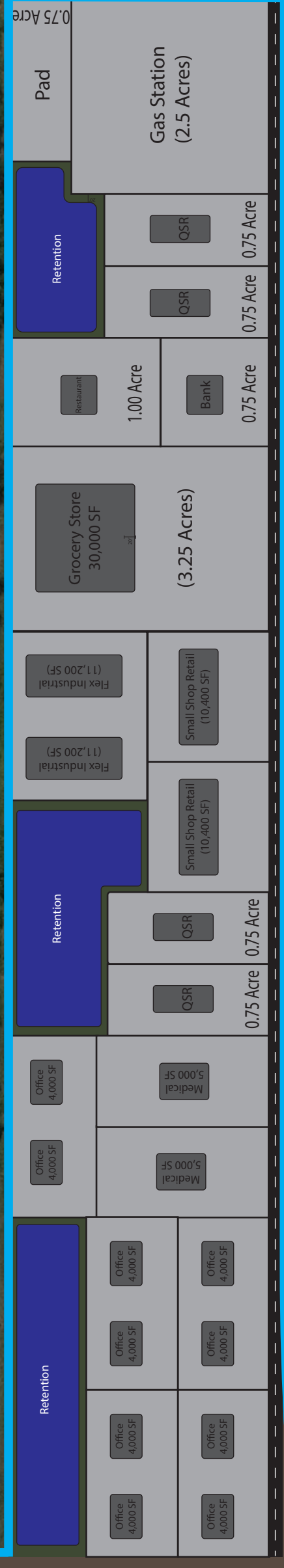


EXHIBIT “G”

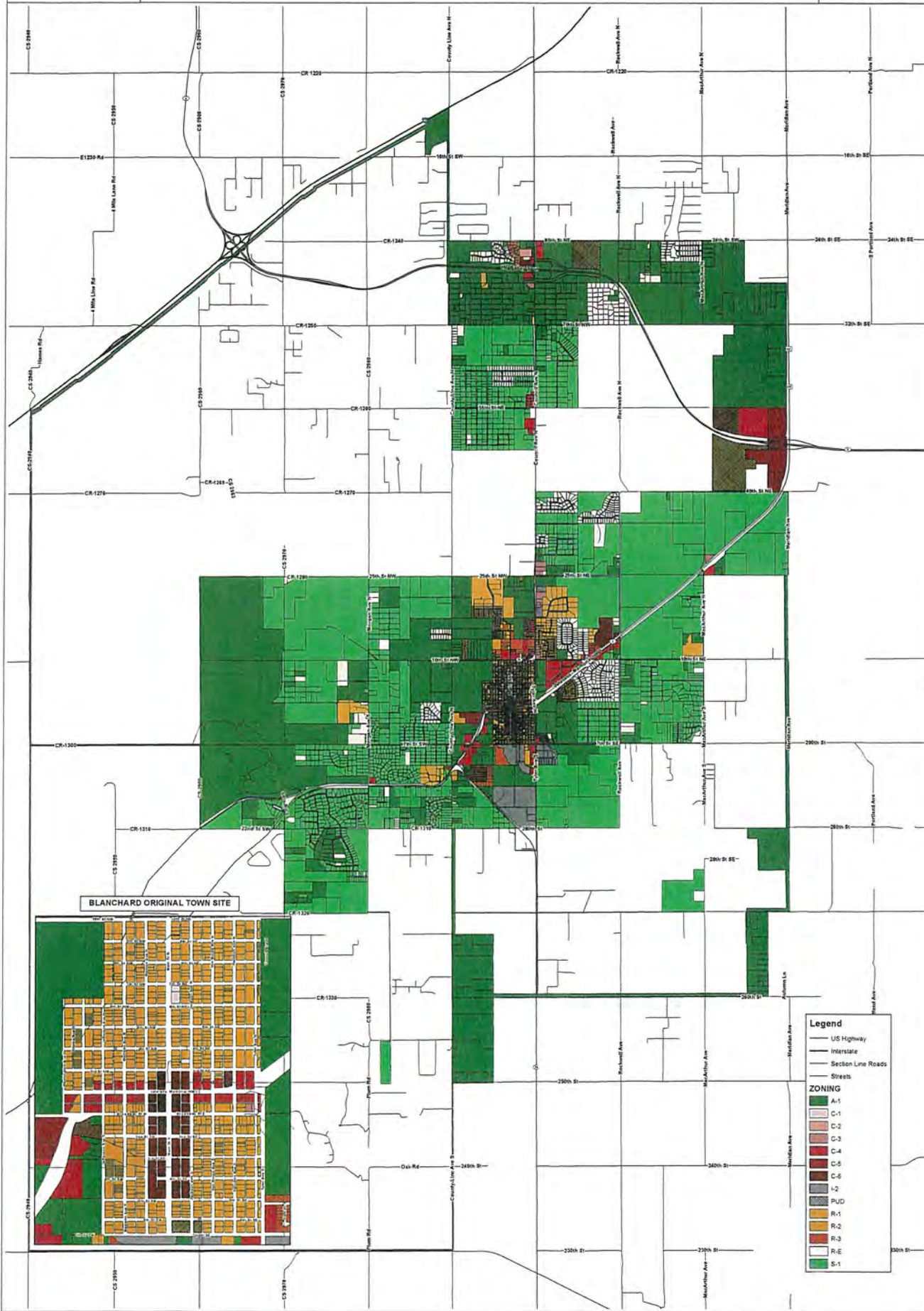
EXISTING USES AND CONDITIONS OF REAL PROPERTY

The following page depicts the Zoning Map of the City of Blanchard, Oklahoma, as adopted by Ordinance No. 795 of the City on September 26, 2023.



City of Blanchard Official Zoning Map September 11, 2023

0 0.5 1 2 Miles



Legend

- US Highway
- Interstate
- Section Line Roads
- Streets

ZONING

- A-1
- C-1
- C-2
- C-3
- C-4
- C-5
- C-6
- I-2
- PUD
- R-1
- R-2
- R-3
- R-E
- S-1