

ROSE ROCK LAKESIDE ECONOMIC DEVELOPMENT PROJECT PLAN



Prepared by:

DELAWARE COUNTY, OKLAHOMA

The Board of County Commissioners

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ROSE ROCK LAKESIDE ECONOMIC DEVELOPMENT PROJECT PLAN

I. DESCRIPTION OF PROJECT

A. Overview

The Project Area consists of approximately 94 acres located on Monkey Island in Delaware County, Oklahoma, near Grand Lake O' the Cherokees and existing regional tourism destinations, including Shangri-La Resort. The Project Area is currently underutilized and lacks the public infrastructure necessary to support coordinated mixed-use development.

The Project, as described in more detail in paragraph B below, is anticipated to be financed through private investment and public financing, with tax increment financing utilized primarily to reimburse eligible public infrastructure costs. Upon full development, the Project is expected to generate substantial ad valorem and sales tax growth and approximately \$376,000,000 in private investment, thereby expanding the tax base and promoting economic development within Delaware County and the surrounding region.

B. Project Components

The Project contemplates the redevelopment of the Project Area into a master-planned, mixed-use development known as Rose Rock Lakeside. The Project includes approximately 358 homes, together with supporting commercial, retail, office, and recreational uses. Principal components of the Project include:

1. Residential housing development consists of approximately 358 homes, some of which may be offered as short-term rental accommodations by individual owners
2. Mixed-use commercial development
3. Retail shops and restaurants
4. Executive office suites
5. Resort-style pool and lazy river amenities
6. Fitness and recreational facilities
7. Road and street improvements
8. Parking and access improvements
9. Water, sewer, drainage, and utility infrastructure
10. Site preparation, dirt work, site paving, and related improvements
11. Landscaping, public spaces, and community gathering areas

The Project is intended to support long-term economic development within the Grand Lake region by enhancing existing tourism assets, increasing property values, and promoting sustained private investment in the Project Area.

C. Use of Tax Increment Financing

Tax increment financing (TIF) is anticipated to be used primarily to reimburse eligible public infrastructure costs associated with the Project, including streets, utilities, drainage, parking, and related public improvements authorized under the Oklahoma Local Development Act. TIF

revenues will be derived from incremental increases in ad valorem and sales tax revenues generated within the Project Area as development occurs.

II. BOUNDARIES OF PROJECT AREA AND INCREMENT DISTRICTS

The Project Area is the area within which Project activities will occur and Project expenditures may be made. The Project Area consists of approximately 94 acres of underutilized land generally located five miles from Shangri-La Resort. The boundaries of the Project Area are depicted on Exhibit B. The legal description of the Project Area is set forth in Exhibit A.

The Increment Districts are the areas from which tax increments will be generated and apportioned pursuant to the Oklahoma Local Development Act. This Project Plan establishes two (2) Increment Districts encompassing the same geographic area as the Project Area. Increment District A shall be an ad valorem tax increment district, and Increment District B shall be a sales tax increment district. Although Increment District A and Increment District B encompass the same geographic area, each Increment District constitutes a separate tax increment district established for the purpose of capturing a different category of tax increment pursuant to the Oklahoma Local Development Act.

The boundaries of both the Project Area and the Increment Districts are described in Exhibit A and depicted on Exhibit B. The Increment Districts are labeled A and B on Exhibit B and will be assigned a number (e.g., Increment District No. _) in the order they become effective by action of the Board of County Commissioners, as required by 62 O.S. § 856(B)(3).

III. ELIGIBILITY OF PROJECT AREA

To establish a tax increment district, Section 856(B)(4)(a) of the Act requires the County to find that the proposed Project Area or Increment District meets at least one of the following criteria:

- (1) Is a reinvestment area,
- (2) Is a historic preservation area;
- (3) Is an enterprise area, or
- (4) Is a combination of the areas specified in divisions (1), (2), and (3) of this subparagraph.

The Project Area qualifies as a reinvestment area as defined by the Oklahoma Local Development Act. Significant public improvements are necessary to stimulate private investment, reverse conditions of economic stagnation or decline, and preserve and enhance the local tax base. Such improvements include, but are not limited to, roads, utilities, drainage systems, parking facilities, and related infrastructure necessary to support development within the Project Area.

Absent the public infrastructure improvements and financing mechanisms authorized under the Act, the proposed development would not reasonably be expected to occur within the foreseeable future at the scale, timing, or quality contemplated by this Project Plan. The Project

Area is currently unproductive, undeveloped, or blighted within the meaning of Article X, Section 6C of the Oklahoma Constitution and is affected by conditions that substantially hinder development without public intervention and infrastructure investment.

IV. OBJECTIVES

The principal objectives of the Project and the Increment Districts are:

- A. To reverse economic stagnation and decline, to serve as a catalyst for retaining and expanding employment, to attract major investment, to stimulate private investment and reinvestment in the Project Area;
- B. To promote economic development that increases tax revenues, raises property values, and enhances economic stability;
- C. To promote tourism and recreational development within Delaware County and to improve the quality of life of residents and visitors and strengthen the community through coordinated public and private investment in the Project Area; and
- D. To preserve and enhance the tax base and facilitate investment, development, and economic growth that would otherwise be difficult without the Project and the apportionment of incremental tax revenues.

V. STATEMENT OF PRINCIPAL ACTIONS

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

- A. Project development, planning, financing, and approvals.
- B. Construction of the public and private improvements, roads, utilities, drainage systems, parking, and other private and public infrastructure serving the Project Area.

VI. ESTIMATED CONSTRUCTION TIMELINE

Construction within the Project Area is anticipated to commence following the approval of the Project Plan, establishment of the Increment Districts, completion of applicable development agreements, and satisfaction of financing and permitting requirements. Development of the Project is expected to occur in multiple phases beginning in or around 2027 and continuing through approximately 2040, subject to market conditions, financing availability, and development demand.

The Project is anticipated to include phased construction of residential, commercial, recreational, wellness, retail, and mixed-use improvements throughout the Project Area. Initial phases are expected to focus on residential development, infrastructure improvements, and

supporting commercial and recreational amenities necessary to establish the Project as a premier mixed-use lakeside destination on Grand Lake.

Based on current development projections, significant vertical development is anticipated to occur between 2027 and 2033, including construction of multiple commercial buildings, mixed-use facilities, recreational amenities, and residential homes. Additional residential and supporting development is expected to continue through approximately 2040.

The timing, sequencing, and completion dates for individual phases or components of the Project may be modified from time to time by the Developer and Delaware County without amendment to this Project Plan, provided such modifications remain consistent with the purposes and objectives of the Project Plan and applicable law.

VII. ESTABLISHMENT OF INCREMENT DISTRICT NO. A, COUNTY OF DELAWARE AND INCREMENT DISTRICT NO. B, COUNTY OF DELAWARE

- A. This Project Plan creates Increment District A, County of Delaware, an ad valorem tax increment district, and Increment District B, County of Delaware, a sales tax increment district.
- B. The ad valorem increment for Increment District A shall be the ad valorem tax revenue generated from the assessed value of property within Increment District A in excess of the base assessed value of the district (i.e., the additional tax revenue resulting from increases in property values within the Increment District). The ad valorem increment is one hundred percent (100%) of the new revenue attributable to increases in the value of the Increment District.
- C. The sales tax increment for Increment District B shall consist of a portion of the County's sales and use tax attributable to investment and development within Increment District B. The sales tax increment shall be one hundred percent (100%) of the County's one and seven-tenths percent (1.70%) of retail and construction deliveries generated in Increment District B.
- D. The increment of taxes generated by the Increment Districts may be used to pay Project Costs authorized by Section VIII of this Project Plan for a period not to exceed twenty-five (25) years from the effective date of the applicable Increment District, as provided by law, or the period required for payment of the Project Costs authorized by Section VIII, whichever is less. During the period of apportionment, the apportionment fund (1) shall be available to pay Project Costs under Section VIII, (2) shall constitute funds of the Delaware County Economic Development Authority ("Public Trust"), and (3) shall not be subject to annual appropriation as a part of the general fund of the County.

- E. The Public Trust is authorized to: (1) issue tax apportionment bonds or notes, or both; (2) incur Project Costs, pursuant to Section VIII of this Project Plan; and (3) incur the cost of issuance of such bonds and to accumulate appropriate reserves, if any, in connection with them.

VIII. PROJECT AND INCREMENT AUTHORIZATIONS

- A. The Public Trust and the County are designated and authorized as the principal public entities to carry out and administer the provisions of this Project Plan and to exercise all powers necessary or appropriate thereto as provided in the Local Development Act, 62 O.S. §854.
- B. The Public Trust is authorized and designated to carry out those provisions of the Project Plan related to issuance of bonds or notes as provided in 62 O.S. §§854(B) and 863 of the Local Development Act, subject to approval of the governing body of the County of any specific notes or bonds. The Public Trust is authorized to assist in carrying out this Project Plan and to exercise all powers necessary or appropriate thereto pursuant to 62 O.S. §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. The Public Trust is authorized to: (1) issue tax apportionment bonds or notes, or both; (2) incur Project Costs, pursuant to Section VIII of this Project Plan; (3) provide funds to or reimburse the County for the payment of Project Costs and other costs incurred in support of the implementation of the Project; and (4) incur the cost of issuance of bonds for payment of such costs and to accumulate appropriate reserves, if any, in connection with them. Project Costs shall mean (a) the public costs authorized to be paid by apportioned tax increments pursuant to Section IX of this Project Plan, and (b) costs necessary or appropriate to implement this Project Plan other than costs authorized by Section VIII, which may be authorized without amendment to this Project Plan.
- C. The Chairman of the Board of Trustees of the Public Trust, or his designee, shall be the person in charge of implementation of the Project Plan in accordance with the provisions, authorizations, and respective delegations of responsibilities contained in this Project Plan. The Chairman, or his designee, 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 BY TAXES APPORTIONED FROM INCREMENT DISTRICTS

- A. The Project Costs will be financed by the apportionment of tax increments from Increment District A, County of Delaware, and Increment District B, County Delaware, pursuant to the Oklahoma Local Development. The Project Costs categories and budget for each category are described below:

Assistance in Development Financing

Public Improvements	\$38,000,000
<ul style="list-style-type: none">○ Roads and street improvements○ Water, sewer, drainage, and other utility infrastructure○ Site preparation, dirt work, site paving, and related improvements○ Booster pump/Lift Station○ Parking and access improvements	
Contingencies	\$ 5,000,000
<hr/>	
TOTAL Project Costs:	\$43,000,000

Plus, financing costs, cost of issuance, necessary or appropriate reserves, and interest on repayment of Project Costs.

- B. Additional costs necessary or appropriate to implement this Project Plan that are to be financed by other than apportioned tax increments may be approved by the County at any time. The provisions of this Section IX are not a limitation on Project Costs to be financed by other than apportioned tax increments.
- C. The public improvements constituting authorized Project Costs will be funded entirely through a combination of private investment and the bond market. The Increment Districts are intended to reimburse eligible public infrastructure and development-related costs only after such improvements have been constructed, and incremental tax revenues have been generated within the Project Area.
- D. Ninety percent (90%) of the ad valorem tax increment and sales tax increment generated within the Increment Districts shall be allocated toward payment of the Project Costs outlined in paragraph A above. The remaining ten percent (10%) shall be apportioned among the affected taxing jurisdictions on a proportionately to each jurisdiction's respective levies contribution to the overall ad valorem millage rate exclusive of sinking fund levies, to be utilized to enhance their respective programs, missions, and services.

X. FINANCING REVENUE SOURCES

- A. The authorized Project Costs will be funded by apportionment of the ad valorem and sales tax increments attributable to the investment and development within the Increment Districts as authorized by this Project Plan.

- B. The apportioned ad valorem tax increments are estimated to range from approximately \$2,000,000 annually by the end of the first 10 years of the Project and up to \$5,500,000 annually upon completion of the Project. Local sales tax increments are estimated to range from approximately \$95,000 annually in the near term to more than \$166,000 upon maturity of the Project.
- C. The implementation of the Project Plan shall be financed in accordance with financial authorizations, including both fund and asset transfers, authorized from time to time by the Board of County Commissioners.

XI. PRIVATE INVESTMENTS EXPECTED FOR THE PROJECT

The Project will be financed entirely through a combination of private investment and the bond market. Upon full buildout and maturity, the Project is expected to generate more than \$376,000,000 in private investment.

XII. FINANCIAL IMPACTS

The proposed private development will generate tax increments necessary to pay authorized public costs of the Project. Without the proposed development, significant development within the area would not occur and any significant increases in ad valorem taxes are extremely improbable. The anticipated financial impacts on the affected taxing jurisdictions and economic impacts on business activity are described below.

- A. Financial Impact on Taxing Jurisdictions. The proposed Project is anticipated to result in a moderate increase in demand for public services and associated costs to the affected taxing entities, including the County. For example, the additional employment generated by the Project may contribute to an increase in households served by the Grove Public Schools and a corresponding increase in school district enrollment. Similarly, new businesses may increase demands on the Delaware County Health Department and Northeast Technology Center. However, such public sector costs are expected to be substantially offset by the benefits the Project will generate within the community, as well as by the stimulation of new tax revenues outside the Project Area and Increment Districts. Upon termination of the Increment Districts, the County's ad valorem tax base is anticipated to be substantially greater as a result of the Project. Overall, 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 this Project Plan.
- B. Economic Impacts on Business Activities. The proposed Project is anticipated to generate positive economic impacts within the Project Area. These benefits are expected to be enhanced through the strategic use of eligible Project Costs to promote economic growth and accomplish the objectives of this Project Plan. While the number of permanent jobs has not yet been finalized, the anticipated employment opportunities are not expected to result in adverse financial impacts on the County. The Project is expected to generate construction employment and involve substantial expenditures with local contractors during the construction phase. Collectively, these impacts are

expected to foster additional business growth and stimulate further economic development opportunities. In addition, revenues generated under the Project Plan are anticipated to provide the County with resources to advance economic development initiatives and enhance overall quality of life.

XIII. FINANCING PLAN

The proposed private development and resulting business activity will generate tax increments necessary to pay authorized public costs of the Project. Without the proposed development, significant development within the area would not occur. The establishment of the Increment Districts will provide for funding of certain Project Costs to be paid by the County and the Public Trust. Financing for the projected private development within the Project Area will be provided through private investment, private financing, and/or the bond market.

XIV. MISCELLANEOUS PROVISIONS

No changes in zoning are required to accommodate this Project. Delaware County does not operate under a comprehensive or master plan, thus there cannot be a finding of compliance with the objectives and priorities of such a plan. However, this Project Plan does comply with the overall development objectives and priorities of Delaware County.

Existing conditions and uses of real property in the Project Area are shown on the maps attached as Exhibit C. The proposed improvements to and proposed uses of the real property in the Project Area are shown on Exhibit D.

EXHIBIT A

LEGAL DESCRIPTIONS OF PROJECT AREA AND INCREMENT DISTRICTS

Project Area Legal Description

THE SOUTH HALF (S1/2) THE SOUTHWEST QUARTER (SW1/4) AS WELL AS THE WEST HALF OF THE SOUTHWEST QUARTER (SW1/4) OF THE SOUTHEAST QUARTER (SE1/4) OF SECTION 16 LESS THE G.R.D.A.

THE SOUTH HALF (S1/2) OF THE SOUTH HALF (S1/2) OF SECTION 17

THE SOUTH HALF (S1/2) OF THE SOUTH HALF (S1/2) OF SECTION 18

ALL OF SECTION 19

ALL OF SECTION 20, LESS THE G.R.D.A.

THE WEST HALF (W1/2) OF SECTION 21, LESS THE G.R.D.A.

ALL OF SECTION 29, LESS THE G.R.D.A.

ALL OF SECTION 30, LESS THE G.R.D.A.

ALL OF SECTION 31, LESS THE G.R.D.A.

ALL OF SECTION 32, LESS THE G.R.D.A.

ALL IN TOWNSHIP 25 NORTH, RANGE 23 EAST.

ALL SUBJECT TO ANY EASEMENTS AND/OR RIGHTS-OF-WAY OF RECORD.

AND

THE SOUTH HALF (S1/2) OF THE SOUTHEAST QUARTER (SE1/4) OF SECTION 13,

THE EAST HALF (E1/2) OF SECTION 24

THE NORTH HALF (N1/2) OF THE NORTHEAST QUARTER OF SECTION 25

ALL IN TOWNSHIP 25 NORTH, RANGE 22 EAST.

ALL SUBJECT TO ANY EASEMENTS AND/OR RIGHTS-OF-WAY OF RECORD.

AND

SECTION 6 LESS THE SOUTH HALF (S1/2) OF THE SOUTH HALF (1/2) LESS THE G.R.D.A.

SECTION 5 LESS THE SOUTH HALF (S1/2) OF THE SOUTH HALF (1/2) LESS THE G.R.D.A.

SECTION 4 LESS THE SOUTH HALF (S1/2) OF THE SOUTH HALF (1/2) LESS THE G.R.D.A.

ALL IN TOWNSHIP 24 NORTH, RANGE 23 EAST.

ALL SUBJECT TO ANY EASEMENTS AND/OR RIGHTS-OF-WAY OF RECORD.

Increment Districts Legal Descriptions

Increment Districts A and B share the same legal description.

Deed Descriptions:

BOOK 2535: PAGE 149:

TRACT 3

A TRACT OF LAND SITUATED IN THE WEST HALF OF THE SOUTHWEST QUARTER OF THE NORTHWEST QUARTER (W/2 SW/4 NW/4) OF SECTION TWENTY-NINE (29), TOWNSHIP TWENTY-FIVE (25) NORTH, RANGE TWENTY-THREE (23) EAST OF THE INDIAN BASE AND MERIDIAN, DELAWARE COUNTY, STATE OF OKLAHOMA, ACCORDING TO THE UNITED STATES GOVERNMENT SURVEY THEREOF, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS, TO-WIT:

COMMENCING AT THE SOUTHWEST CORNER OF SAID W/2 SW/4 NW/4; THENCE NORTH 1°42'08" WEST FOR A DISTANCE OF 594.00 FEET ALONG THE WEST LINE THEREOF TO THE POINT OF BEGINNING; THENCE NORTH 1°42'08" WEST FOR A DISTANCE OF 297.00 FEET ALONG SAID WEST LINE; THENCE NORTH 88°10'56" EAST FOR A DISTANCE OF 660.00 FEET; THENCE SOUTH 1°42'08" EAST FOR A DISTANCE OF 297.00 FEET; THENCE SOUTH 88°10'56" WEST FOR A DISTANCE OF 660.00 FEET TO THE POINT OF BEGINNING.

TRACT 4

A TRACT OF LAND SITUATED IN THE WEST HALF OF THE SOUTHWEST QUARTER OF THE NORTHWEST QUARTER (W/2 SW/4 NW/4) OF SECTION TWENTY-NINE (29), TOWNSHIP TWENTY-FIVE (25) NORTH, RANGE TWENTY-THREE (23) EAST OF THE INDIAN BASE AND MERIDIAN, DELAWARE COUNTY, STATE OF OKLAHOMA, ACCORDING TO THE UNITED STATES GOVERNMENT SURVEY THEREOF, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS, TO-WIT:

COMMENCING AT THE SOUTHWEST CORNER OF SAID W/2 SW/4 NW/4; THENCE NORTH 1°42'08" WEST FOR A DISTANCE OF 891.00 FEET ALONG THE WEST LINE THEREOF TO THE POINT OF BEGINNING; THENCE NORTH 1°42'08" WEST FOR A DISTANCE OF 297.00 FEET ALONG SAID WEST LINE; THENCE NORTH 88°10'56" EAST FOR A DISTANCE OF 38.36 FEET; THENCE SOUTH 1°46'50" EAST FOR A DISTANCE OF 161.26 FEET (RECORDED AS 160.21 FEET); THENCE NORTH 9°31'44" EAST FOR A DISTANCE OF 152.97 FEET; THENCE NORTH 1°46'52" WEST FOR A DISTANCE OF 11.28 FEET (RECORDED AT 10.28 FEET); THENCE NORTH 88°10' 56" EAST FOR A DISTANCE OF 591.64 FEET; THENCE SOUTH 1°42'08" EAST FOR A DISTANCE OF 297.00 FEET;

THENCE SOUTH 88°10'56" WEST FOR A DISTANCE OF 660.00 FEET TO THE POINT OF BEGINNING.

BOOK 2511; PAGE 384:

TRACT 1:

A TRACT OF LAND SITUATED IN THE WEST HALF OF THE SOUTHWEST QUARTER OF THE NORTHWEST QUARTER (W/2 SW/4 NW/4) OF SECTION 29, TOWNSHIP 25 NORTH, RANGE 23 EAST OF THE INDIAN BASE AND MERIDIAN, DELAWARE COUNTY; OKLAHOMA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS, TO-WIT:

BEGINNING AT THE SOUTHWEST CORNER OF SAID W/2 SW/4 NW/4; THENCE N 1°42'08" W FOR A DISTANCE OF 297.00 FEET ALONG THE WEST LINE THEREOF; THENCE N 88°10'56" E FOR A DISTANCE OF 660.00 FEET; THENCE S 1°42'08" E FOR A DISTANCE OF 297.00 FEET TO A POINT ON THE SOUTH LINE OF SAID W/2 SW/4 NW/4; THENCE S 88°10'56" W FOR A DISTANCE OF 660.00 FEET ALONG SAID SOUTH LINE TO THE POINT OF BEGINNING.

CONTAINS 4.5000 ACRES, MORE OR LESS

TRACT 2:

A TRACT OF LAND SITUATED IN THE WEST HALF OF THE SOUTHWEST QUARTER OF THE NORTHWEST QUARTER (W/2 SW/4 NW/4) OF SECTION 29, TOWNSHIP 25 NORTH, RANGE 23 EAST OF THE INDIAN BASE AND MERIDIAN, DELAWARE COUNTY, OKLAHOMA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS, TO-WIT: COMMENCING AT THE SOUTHWEST CORNER OF SAID W/2 SW/4 NW/4, THENCE N 1°42'08" W FOR A DISTANCE OF 297.00 FEET ALONG THE WEST LINE THERE TO THE POINT OF

BEGINNING; THENCE N 1°42'08" W FOR A DISTANCE OF 297.00 FEET ALONG SAID WEST LINE; THENCE N 88°10'56" E FOR A DISTANCE OF 660.00 FEET; THENCE S 1°42'08" E FOR A DISTANCE OF 297.00 FEET; THENCE S 88°10'56" W FOR A DISTANCE OF 660.00 FEET TO THE POINT OF BEGINNING.

CONTAINS 4.5000 ACRES MORE OR LESS

BOOK 2177; PAGE 628:

(TRACT 1)

THE N1/2 SW1/4 OF SECTION 29, TOWNSHIP 25 NORTH, RANGE 23 EAST, DELAWARE COUNTY, OKLAHOMA, SUBJECT TO STATE HIGHWAY #125 ALONG THE WEST LINE, LESS AND EXCEPT

THE NORTH 699.50 FEET OF THE WEST 516.50 FEET OF THE N1/2 SW1/4 OF SECTION 29, TOWNSHIP 25 NORTH, RANGE 23 EAST, DELAWARE COUNTY, OKLAHOMA.

AND

(TRACT 2)

THE N1/2 SW1/4 SW1/4 OF SECTION 29, TOWNSHIP 25 NORTH, RANGE 23 EAST, DELAWARE COUNTY, OKLAHOMA, SUBJECT TO STATE HIGHWAY #125 ALONG THE WEST LINE;

AND

THE WEST 329.75 FEET OF THE NW4 SE4 SW4 OF SECTION 29, TOWNSHIP 25 NORTH, RANGE 23 EAST, DELAWARE COUNTY, OKLAHOMA. LESS AND EXCEPT

PART OF THE SW4 SW OF SECTION 29, TOWNSHIP 25 NORTH, RANGE 23 EAST OF THE INDIAN BASE AND MERIDIAN, DELAWARE COUNTY, OKLAHOMA. BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS: BEGINNING AT A FOUND MAG NAIL AT THE NW CORNER OF THE RESERVE AT GRAND LAKE, A SUBDIVISION, ACCORDING TO THE RECORDED PLAT THEREOF; THENCE N 88° 15' 34" EAST 823.22 FEET ALONG THE NORTH LINE AND PROJECTION THEREOF OF SAID THE RESERVE AT GRAND LAKE TO A SET 5/8 INCH IRON PIN ON THE PROJECTION OF AN EXISTING FENCE LINE; THENCE N 02° 31' 16" WEST 172.40 FEET ALONG SAID FENCE AND PROJECT THEREOF TO AN EXISTING FENCE CORNER; THENCE S 88° 36'27" WEST 821.64 FEET ALONG SAID FENCE LINE AND PROJECTION THEREOF TO A SET MAG NAIL ON THE WEST LINE OF AFORESAID SW4 SW4; THENCE S 01° 58'24" EAST

177.38 FEET ALONG SAID WEST LINE TO THE POINT OF BEGINNING. SUBJECT TO STATE HIGHWAY #125 ALONG THE WEST LINE AND ANY AND ALL EASEMENTS OF RECORD. SUBJECT TO THE FOLLOWING RESTRICTIONS:

THIS PROPERTY SHALL NOT BE USED FOR RESIDENTIAL OR COMMERCIAL DEVELOPMENT OF ANY KIND FOR A PERIOD OF TWENTY-FOUR (24) MONTHS FROM DATE.

BOOK NO. 2609, PAGE NO. 342:

A TRACT OF LAND IN THE NW/4 SW/4 OF SECTION 29, TOWNSHIP 25 NORTH, RANGE 23 EAST, DELAWARE COUNTY, OKLAHOMA, MORE PARTICULARLY DESCRIBED AS FOLLOWS: COMMENCING AT THE NW CORNER OF THE SW/4; THENCE EAST 469.6 FEET; THENCE SOUTH 469.6 FEET; THENCE WEST 469.6 FEET; THENCE NORTH TO THE POINT OF BEGINNING, LESS A STRIP OFF THE WEST SIDE OF SAID PROPERTY FIFTY FEET WIDE FOR STATE HIGHWAY, DELAWARE COUNTY, OKLAHOMA. SUBJECT TO ANY AND ALL EASEMENTS.

BOOK NO. 1862, PAGE NO. 868:

THE N1/2 SW1/4 OF SECTION 29, TOWNSHIP 25 NORTH, RANGE 23 EAST, DELAWARE COUNTY, OKLAHOMA. LESS AND EXCEPT THE NORTH 699.50 FEET OF THE WEST 466.50 FEET OF THE N1/2 SW1/4 OF SECTION 29, TOWNSHIP 25 NORTH, RANGE 23 EAST, DELAWARE COUNTY, OKLAHOMA.

AND

THE N1/2 SW1/4 SW1/4 OF SECTION 29, TOWNSHIP 25 NORTH, RANGE 23 EAST, DELAWARE COUNTY, OKLAHOMA.

AND

THE WEST 329.75 FEET OF THE NW1/4 SE 1/4 SW1/4 OF SECTION 29, TOWNSHIP 25 NORTH, RANGE 23 EAST, DELAWARE COUNTY, OKLAHOMA.

AND

THE SE1/4 SE1/4 AND THE E1/2 SW1/4 SE1/4 OF SECTION 30, TOWNSHIP 25 NORTH, RANGE 23 EAST, DELAWARE COUNTY, OKLAHOMA.

AND

A TRACT OF LAND LOCATED IN THE W1/2 SW1/4 SE1/4 AND IN THE N1/2 SE1/4 SW1/4 OF SECTION 30, TOWNSHIP 25 NORTH, RANGE 23 EAST, DELAWARE COUNTY, OKLAHOMA, MORE PARTICULARLY DESCRIBED AS FOLLOWS, TO-WIT: BEGINNING AT THE SW CORNER OF THE E1/2 SW1/4 SE1/4 FOR A POINT OF BEGINNING; THENCE SOUTH 89°57' WEST A DISTANCE OF 50 FEET TO A POINT, THENCE NORTH 34°8' WEST A DISTANCE OF 104 FEET TO A POINT; THENCE NORTH 10°44' WEST A DISTANCE OF 137.20 FEET TO A POINT; THENCE NORTH 6°45' EAST A DISTANCE OF 143.50 FEET TO A POINT; THENCE NORTH 39°55' WEST A DISTANCE OF 506.90 FEET TO A POINT; THENCE NORTH 26°1' WEST A DISTANCE OF 275.30 FEET TO A POINT; THENCE NORTH 51°55' WEST A DISTANCE OF 506.10 FEET TO A POINT, THENCE NORTH 89°57'3" EAST A DISTANCE OF APPROXIMATELY 951.91 FEET TO A POINT. SAID POINT BEING THE SW CORNER OF THE E1/2 NW1/4 SE1/4; THENCE SOUTH ALONG THE WEST LINE OF THE E1/2 SW1/4 SE1/4 A DISTANCE OF APPROXIMATELY 1319.94 FEET TO THE POINT OF BEGINNING.

Survey Description:

A PART OF THE W/2 OF THE SW/4 OF THE NW/4 AND A PART OF THE SW/4 OF SECTION 29, TOWNSHIP 25 NORTH, RANGE 23 EAST OF THE INDIAN BASE AND MERIDIAN, IN DELAWARE COUNTY, OKLAHOMA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A FOUND 5/8" REBAR BEING THE NE CORNER OF SAID SW/4; THENCE S 01°31'57" E 1319.65' TO A FOUND 3/8" REBAR AT THE SE CORNER OF THE NE/4 SW/4; THENCE ALONG THE SOUTH LINE THEREOF S 87°58'45" W 982.98' TO A FOUND 5/8" REBAR; THENCE LEAVING SAID SOUTH LINES 01°43'17" E 658.91' TO A FOUND REBAR WITH A YELLOW CAP ON THE SOUTH LINE OF THE N/2 SE/4 SW/4; THENCE S 88°14'58" W 824.99' TO A FOUND REBAR WITH A YELLOW CAP; THENCE N 02°33'29" W 172.54' TO A 2" FENCE CORNER POST; THENCE S 88°36'27" W ALONG AN EXISTING FENCE 771.39' TO A 4" METAL FENCE CORNER POST; THENCE N 01°46'48" W ALONG THE RIGHT-OF-WAY OF HIGHWAY 125 1103.33' TO A FOUND 1/2" REBAR; THENCE N 88°18'17" E 466.16' TO A FOUND REBAR CAPPED "1209"; THENCE N 01°46'19" W 233.02' TO A SET 5/8" REBAR" SWOPE 1889"; THENCE N 01°46'19" W 467.19' TO A 5/8" REBAR WITH A BROKEN YELLOW CAP; THENCE S 88°13'22" W 50.00' TO A FOUND 3/8" REBAR; THENCE S 01°45'29" EA DISTANCE OF 472.38' TO A FOUND 3/8" REBAR; THENCE S 89°00'35" W ALONG AN EXISTING FENCE 415.98' TO A POINT ALONG THE EASTERLY RIGHT-OF-WAY OF OKLAHOMA HIGHWAY 125; THENCE ALONG SAID RIGHT-OF-WAY N 02°15'36" W 1493.70'; THENCE N 08°10'04" E 152.97' TO A 60D NAIL; THENCE N 01°53'34" W 9.92' TO A 60D NAIL; THENCE LEAVING SAID EASTERLY RIGHT-OF-WAY N 88°11'43" E 594.72'; THENCE S 01°51'01" E 1187.54' TO A FOUND 3/8" REBAR; THENCE N 88°11'43" E 1977.83' TO THE POINT OF BEGINNING, CONTAINING 113.35 ACRES±, MORE OR LESS. SUBJECT TO ANY EASEMENTS AND/OR RIGHTS-OF-WAY OF RECORD.

EXHIBIT B

Map of Project Area and Increment Districts



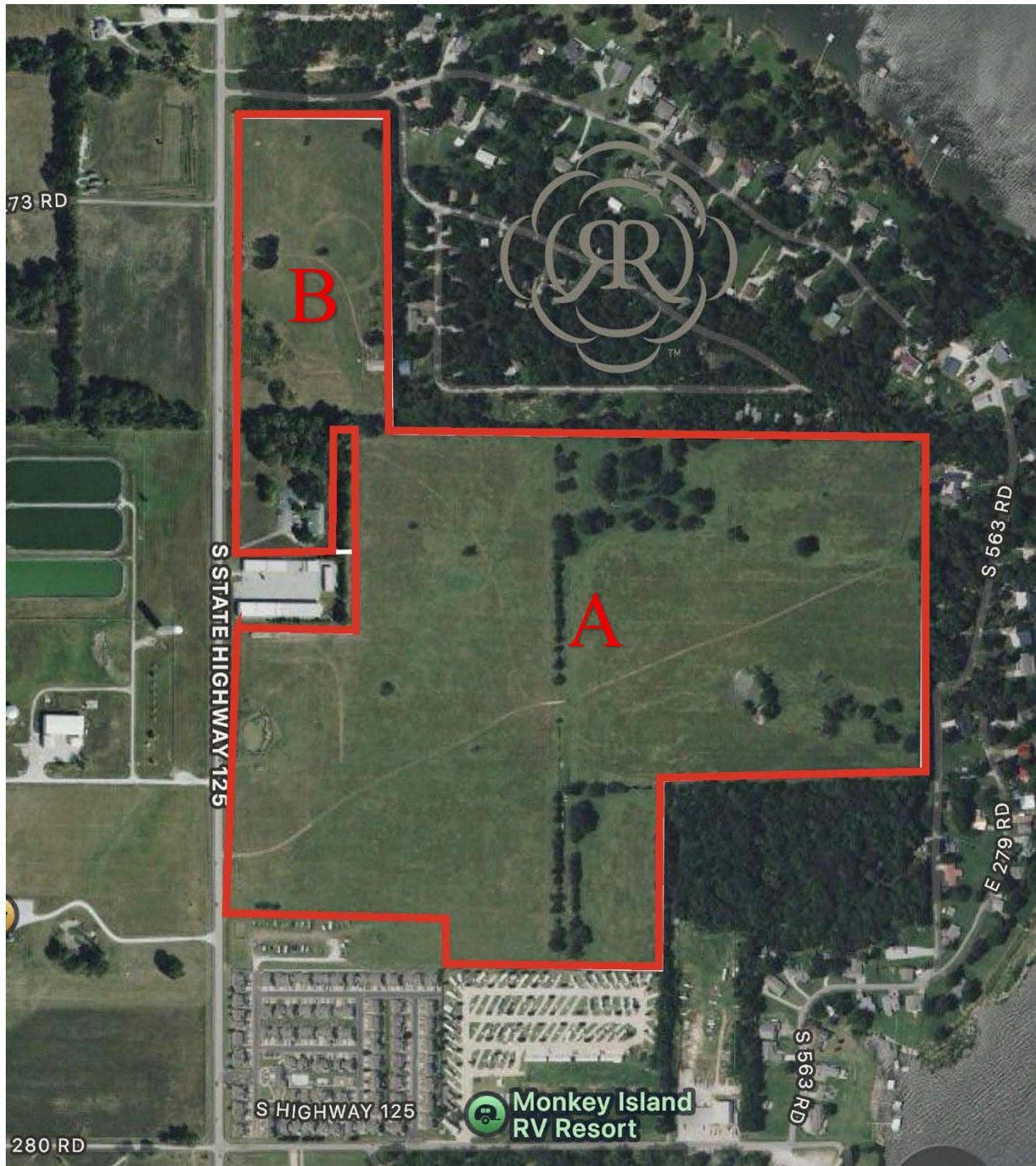
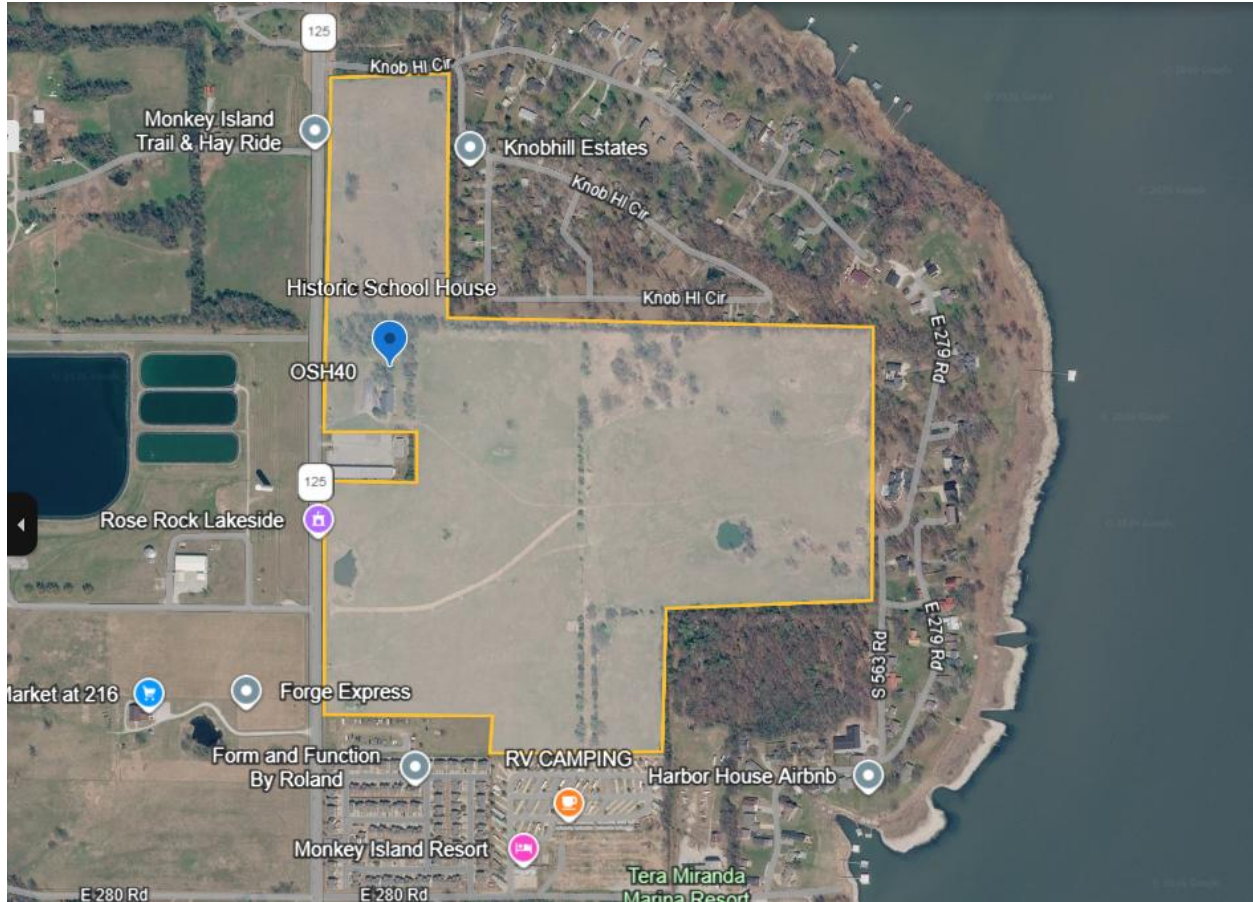


EXHIBIT C

Existing Conditions and Land Use¹



¹ The land in the Rose Rock Lakeside Increment Area is mostly vacant. There is a historic schoolhouse just north of the carve out for the storage facility. The schoolhouse is used for commercial purposes.

EXHIBIT D

Proposed Improvements

