CHICKASHA MUNICIPAL AIRPORT AUTHORITY

AGENDA
LOCATION OF MEETING
CITY HALL COUNCIL CHAMBERS
117 NORTH FOURTH STREET
CHICKASHA, OKLAHOMA 73018

TIME OF MEETING	DATE OF MEETING
6:30 PM	JULY 6, 2020

1. Call to Order / Roll Call.

2. Consent Docket:

a. Acceptance of the Minutes of the June 15, 2020 meeting.

b. Acceptance of the Claims List.

c. Accept and ratify Ordinance 2020-11 requiring the use of facial coverings or mask inside City owned and controlled buildings.

3. Discussion/Approval of Items Removed from Consent Docket:

4. Consideration and Discussion Items:

a. Discussion, consideration, and possible action to approve the lease of the Armory Building to Standley Systems, LLC.

5. Motion for Adjournment.

City of
CHICKASHA

Meeting Type: CMAA Agenda 7-6-2020

Meeting Date: 7/6/2020

Department: City Clerk **Agenda Item No. 2.a.**

AGENDA ITEM: Acceptance of the Minutes of the June 15, 2020 meeting.

I. BACKGROUND/DESCRIPTION:

II. RECOMMENDED ACTION:

Accept Minutes of the June 15, 2020 meeting.

III. FISCAL INFORMATION -

IV. FUND INFORMATION:

Dept. Director: Susan M. McDaniel, City Clerk	Fund	Account	Amount
	(To)		
	FUND	ACCOUNT	AMOUNT
Meeting Date: July 6, 2020	(From)		

V. ATTACHMENTS:

1. CMAA 6-15-2020

117 N. 4th Street Chickasha, Ok. 73018 Phone 405.222.6045 Fax 405.222.6004

June 15, 2020

The **REGULAR** meeting of the **CHICKASHA MUNICIPAL AIRPORT AUTHORITY** was held in the council chambers in city hall on the 15th day of June 2020 as specified by advance public notice with a properly prepared agenda stating the subject matter or matters to be discussed at said meeting. Chairman Mosley called the meeting to order at 7:33 p.m.

ITEM 1. **Call to Order / Roll Call:**

CHAIRMAN AND TRUSTEES

PRESENT:
Chris Mosley, Chairman
Kimberly Loggins, Vice-Chairman
Oscar Nelson
Jim Hopkins
Zachary Grayson
Joseph Molder
David Sikes
Brian Gerdes

ABSENT: R P. Ashanti-Alexander

STAFF

PRESENT:
John Noblitt, City Manager
Amanda Mullins, City Attorney
Leasa Furr, Administrative Services Director
Susan M. McDaniel, City Clerk
Tony Samaniego, Asst. Fire Chief
Kathryn Rowell, Police Chief
Kyle Marks, Parks & Rec Director
Shae Mortimer, Marketing & Civic Engagement Manager
Jim Cowan, EDC

ITEM 2. **Consent Docket: ITEM 2a thru ITEM 2b**

ITEM 2a. **Acceptance of the minutes for the June 1, 2020 regular meeting.**
ITEM 2b. **Acceptance of Claims List.**
ITEM 2c. **Acceptance of Financials.**
ITEM 2d. **Acceptance of fully insured health insurance plan.**
ITEM 2e. **Acceptance of the Workers' Compensation renewal with OMAG.**

ITEM 2f. **Acceptance of the Contract with Angel, Johnston and Blasingame, to perform the financial audit for fiscal 2019-2020**

ITEM 2g. **Acceptance of the contract to perform accounting services with Crawford and Associates.**

*Motion by Trustee Loggins, second by Trustee Hopkins to approve Item 2a thru Item 2g.

Roll call vote:

Ayes:"	Hopkins, Nelson, Sikes, Loggins, Grayson, Molder, Gerdes and Mosley
"Nays:"	None
"Abstain:"	None
Motion carried.	8-0

ITEM 3. **Discussion / Approval of Items Removed from Consent Docket:**

No action taken on Item 3.

ITEM 4. **Discussion and Consideration Item:**

ITEM 4a. **Discussion, consideration and possible action to approve the land lease contract between Chickasha Municipal Authority and Terry McCool dba McCool Farms.**

*Motion by Trustee Hopkins, second by Trustee Nelson to approve the Contract between the Chickasha Municipal Authority and Mr. Terry McCool as pasture land, cultivated land bailing hay as specified in the contract.

Roll call vote:

Ayes:"	Hopkins, Nelson, Sikes, Loggins, Grayson, Molder, Gerdes and Mosley
"Nays:"	None
"Abstain:"	None
Motion carried.	8-0

ITEM 5. **Motion to Adjourn**

*Motion by Trustee Sikes, second by Trustee Loggins to adjourn.

Meeting adjourned.

TIME: 7:36 PM

Approved this 6th day of July 2020.

____
Chris Mosley, Chairman

(ATTEST)

____
Susan M. McDaniel, City Clerk

City of

CHICKASHA

Meeting Type: CMAA Agenda 7-6-2020

Meeting Date: 7/6/2020

Department: Finance

Agenda Item No. 2.b.

AGENDA ITEM: Acceptance of the Claims List.

I. BACKGROUND/DESCRIPTION:

II. RECOMMENDED ACTION:

Accept Claims List.

III. FISCAL INFORMATION -

IV. FUND INFORMATION:

Dept. Director: NAME, TITLE	Fund	Account	Amount
	(To)		
	FUND	ACCOUNT	AMOUNT
Meeting Date: July 6, 2020	(From)		

V. ATTACHMENTS:

City of
CHICKASHA

Meeting Type: CMAA Agenda 7-6-2020

Meeting Date: 7/6/2020

Department: Administration **Agenda Item No. 2.c.**

AGENDA ITEM: Accept and ratify Ordinance 2020-11 requiring the use of facial coverings or mask inside City owned and controlled buildings.

I. BACKGROUND/DESCRIPTION:

II. RECOMMENDED ACTION:

III. FISCAL INFORMATION -

IV. FUND INFORMATION:

Dept. Director: John Noblitt, City Manager	Fund	Account	Amount
	(To)		
	FUND	ACCOUNT	AMOUNT
Meeting Date: July 6, 2020	(From)		

V. ATTACHMENTS:

117 N. 4th Street Chickasha, Ok. 73018 *Phone 405.222.6045* *Fax 405.222.6004*

City of

CHICKASHA

Meeting Type: CMAA Agenda 7-6-2020

Meeting Date: 7/6/2020

Department: City Clerk **Agenda Item No. 4.a.**

AGENDA ITEM: Discussion, consideration, and possible action to approve the lease of the Armory Building to Standley Systems, LLC.

I. BACKGROUND/DESCRIPTION:

- Standley Systems, LLC wishes to lease the Armory Building at the municipal airport for storage.
- This will be an eighteen (18) month lease for a total of $25,000.00 for the full term of the lease and requires a $5,000.00 security/damages deposit.
- The premises will be accepted in "AS IS" condition.

II. RECOMMENDED ACTION:

Staff recommends approving the lease of the Armory Building to Standley Systems, LLC. as presented.

III. FISCAL INFORMATION -

IV. FUND INFORMATION:

Dept. Director: John Noblitt, City Manager	Fund	Account	Amount
	(To) 39-39-4350-005.2		$25,000
	FUND	ACCOUNT	AMOUNT
Meeting Date: July 6, 2020	(From)		

V. ATTACHMENTS:

1. CMAA- Standleys SS LLC Executed

LEASE AGREEMENT

THIS LEASE AGREEMENT (the "Lease") entered into this 4th day of June, 2020 between Chickasha Municipal Airport Authority, an Oklahoma Public Trust Authority, having notice and mailing address at 117 N 4th Street, Chickasha, Oklahoma, (hereinafter collectively referred to as the "Landlord"), and Standley System, LLC, a Limited Liability company, having a notice and mailing address at 528 W. Iowa, Chickasha, Oklahoma 73018 (the "Tenant"). Unless otherwise separately defined, the capitalized terms used herein are defined at Section 4 below.

WHEREAS, Standley systems, LLC desires to lease the Industrial Building at the Airport, and Chickasha Municipal Authority desire that it do so, the following agreement is entered into:

WITNESSETH:

1. Leased Premises. Landlord hereby leases the Leased Premises to Tenant and Tenant hereby leases the same from Landlord. The Leased Premises shall include the building as defined in Section 4.2 and shown in the photograph attached hereto as Exhibit A1.

2. Term. The Lease Term is Eighteen (18) Months having a Commencement Date on June 15, 2020 and terminating on December 15, 2021.

3. Rent. Tenant shall pay Rent to be mailed to Landlord at 117 N. 4th Street, Chickasha, Oklahoma 73018. All Rent is payable in advance and without prior notice or demand, beginning on the date provided herein and continuing thereafter on the first day of each month through the Expiration Date. The Rent amount shall be Twenty-Five Thousand Dollars ($25,000.00) for a full-term lease and payable in equal monthly installments, each in the amount of One Thousand Three Hundred Eighty-Eight Dollars and 89/100 ($1,388.89).

3.1 *Late Charges.* In the event Tenant fails to make timely payment of Rent or any other amount due and owing hereunder and the amount remains unpaid for a period of ten (10) days from such due date, in addition to any and all other sums due and owing herein, Landlord may collect from Tenant as Additional Rent an administrative service fee in an amount equal to five percent (5.00 %) of the amount of the payment then due.

3.2 *Payments.* Tenant shall pay all Rent at the times and in the manner herein provided. Tenant's obligation to pay Rent is an independent covenant and no act or circumstance whatsoever (whether constituting a default by Landlord or not) will release Tenant from the obligation to pay Rent timely or give rise to a counterclaim, release Tenant from the obligation to pay Rent timely or give rise to a counterclaim, offset or deduction unless specifically otherwise provided herein. Time is of the essence in the performance of each of Tenant's obligations hereunder. In the event any payment of Rent is not made within twenty (20) days after its due date, and in addition to Late Charges as set forth in Section 3.1, such amount shall bear interest daily until paid at the rate of twelve percent (12%) per annum; with such interest accruing from the due date.

3.3 *Net Lease.* This Lease is a net lease and Tenant shall pay to Landlord absolutely net throughout the Lease Term, Rent and Additional Rent, and other payments hereunder, free of any charges, assessments, impositions or deductions of any kind, and without abatement, deduction or set off other than as expressly provided herein. Tenant shall pay all Operating Costs associated with and relating to the possession, occupancy and operation of the Leased Premises and the conduct of Tenant's business. Under no circumstances or conditions, whether now existing or hereafter arising, or whether within or beyond the present contemplation of the parties, shall Landlord be expected or required to make any payments of any kind whatsoever, or be under any other liability or obligation hereunder other than as expressly and specifically provided herein.

3.4 *Security/Damage Deposit.* Tenant hereby deposits with Landlord simultaneously with the execution of this Lease the sum of $5,000.00 (the "Deposit"). The Deposit will be held by Landlord throughout the Lease Term without liability for interest and as security for the performance by Tenant of Tenant's obligations hereunder, it being expressly understood that the Deposit will not be considered an advance payment of Rent or a measure of Landlord's damages for any Default (as hereafter defined) by the Tenant or on termination of this Lease. In the event Landlord repossesses the Leased Premises following any Default by Tenant, Landlord may apply the Deposit to all damages suffered by Landlord to the date of such repossession and may retain the balance thereof to apply to such additional damage Landlord may thereafter suffer. If Tenant is not in Default at the termination of this Lease, the Deposit shall be applied to the damages, if any. Remaining balance, if any, will be returned to the Tenant.

4. <u>Construction and Definitions</u>. Unless otherwise herein defined, the terms used in this Lease have the meanings indicated in this Section 4 and shall include the plural as well as the singular. The word "including" shall be construed to be followed by the words "without limitation: or "but not limited to." The words "herein", "hereof", "hereunder", "hereafter" and other words of similar import shall refer to this Lease as a whole and not to any particular Section or other subdivision. All references to Schedules or other attachments shall refer to Schedules, exhibits, diagrams and special provisions

attached to this Lease and all of which are incorporated by reference herein for all purposes.

4.1. *Additional Rent.* Any other amounts required to be paid by Tenant hereunder in addition to monthly Rent.

4.2. *Building.* That certain one-story building located at 2621 Commander Street, Chickasha, Oklahoma comprised of approximately seventeen thousand (17,000) square feet located on the Land described in Exhibit "A" attached hereto and incorporated herein, together with all supports, foundations, structures, sidewalks, curbs, driveways, parking area, landscaping, and all fixtures, including without limitation all utility service connections, heating, lighting, cooling, air conditioning and ventilation equipment, wiring, plumbing, and floor coverings. The Building is sometimes referred to as "the Industrial Building."

4.3. *Commencement Date.* The date on which the Lease Term commences as specified at Section 2.

4.4. *Effective Date.* The date inserted on the first page of this Lease following execution by the last party signing the counterparts of this Lease.

4.5. *Encumbrance(s).* All mortgages, security agreements, collateral assignments, and other encumbrances and all ground leases or master leases which might now or hereafter affect any portion of Landlord's interest in this Lease, the Building, and/or the Land and all renewals, modifications, consolidations, replacements and extensions thereof.

4.6. *Expiration Date.* The date when the Lease Term expires as specified at Section 2 or such earlier date as specifically provided herein.

4.7. *Governmental Authorities.*All federal, state, county, and municipal governmental bodies and agencies or instrumentalities thereof, including all judicial, quasi-judicial and administrative bodies, having jurisdiction over the Land and Building, Landlord's ownership and operation thereof, and Tenant's business and use and occupancy of the Lease Premises and Building.

4.8. *Hazardous Material.* Any hazardous or toxic substance, material or waste, including, but not limited to, those substances, materials and wastes listed in the United States Department of Transportation Hazardous Materials Table or by the Environmental Protection Agency as hazardous substances and amendments thereto, or such substances, materials and wastes that are or become regulated under any applicable Law.

4.9. *Holder*. The mortgagee, secured party or lessor under any Encumbrance and such party's successor and assigns.

4.10. *Land*. The tract of land upon which the Building is located, and all appurtenances thereto, as described on Exhibit "A" attached hereto.

4.11. *Landlord*. Chickasha Municipal Airport Authority, a Public Trust Authority, and their successors and assigns.

4.12. *Laws*. All laws, statutes, regulations, rules, ordinances and orders of any Governmental Authority, including common law and rulings, decisions and interpretations of all judicial, quasi-judicial, and administrative bodies.

4.13. *Lease*. This lease agreement and all subsequent amendments and modifications, together with all schedules, exhibits, diagrams and special provisions attached hereto or subsequently attached hereto or thereto, and to any amendments or modifications thereof.

4.14. *Lease Term*. The period of time designated at Section 2 as the same might be modified from time to time by the written agreement of Landlord and Tenant.

4.15. *Leased Premises*. The Land and the Building leased to Tenant hereunder.

4.16. *Legal Requirements*. All Laws and all recorded covenants, conditions and restrictions to the extent that they pertain to the access to, and maintenance, operation and occupancy of, the Land, the Building, the Leased Premises and Tenant's conduct of its business therein.

4.17. *Operating Costs*. Except as provided in Sections 10 and 12 below, all costs incurred or to be incurred during the Lease Term in connection with the management, operation, safety, security, replacement and maintenance of the Leased Premises. By way of illustration, but not limitation, Operating Costs will include expenditures for:

(a) Taxes;

(b) Utilities and sewer charges;

(c) Cleaning (including supplies and janitorial services);

(d) Pest control;

(e) Licenses, permits and inspection fees;

(f) Insurance premiums;

(g) Heating and cooling maintenance and repair expenses;

(h) Repairs to the interior of the Buildings;

(i) Interior maintenance expenses;

(j) Charges of independent contractors performing work included within the definition of Operating Costs:

(k) Maintenance of exterior and interior landscaping;

(l) All additional costs of compliance with Laws and other Legal Requirements directly applicable to the Tenant repairs and improvements of the Building prior to occupancy required by paragraph 2.1 above; and all additional costs of compliance with Laws and other Legal Requirements directly applicable to any subsequent improvements of the Building made by Tenant, including ADA and all environmental Laws.

4.18. *Person.* A natural person, or a corporation, partnership, limited liability company, or any other legal entity, or a Governmental Authority, as the case may by.

4.19. *Rent.* The sums to be paid by Tenant to Landlord as Rent and Additional Rent pursuant to Section 3 and such other amounts as required to be paid by Tenant to Landlord pursuant to the terms hereof.

4.20. *Taxes.* Landlord is a governmental entity and is exempt for payment of ad valorem taxes covering the Leased Premises. Tenant shall be responsible for payment of any (a) real and personal property and ad valorem taxes or other tax levied in lieu of real property taxes, (b) municipal taxes, special assessments or similar charges, and (c) all other taxes, assessments and governmental charges (including taxes on rents or services), levied or assessed against the Building, the Land, or any other improvements, fixtures or personal property owned by Landlord or Tenant and located on or incorporated into the Building. If any special assessments are payable over a period of years, only that portion required to be paid during a calendar year, together with interest thereon, shall be treated as a Tax allocable to such year.

4.21. *Tenant.* Standley Systems, LLC., and its permitted successors and assigns.

4.22. *Tenant's Default or Default by Tenant.* The events set forth herein constituting a breach or default by Tenant upon the failure of Tenant to cure the same within applicable cure periods.

5. Acceptance. Tenant has accepted the Leased Premises (including all mechanical, electrical, plumbing, fire protection, and heating, ventilation and air conditioning), in its present "AS IS" condition as suitable for the purposes for which the same are leased and has waived any defects therein.

6. Fixtures and Personalty. All fixtures, equipment, improvements, and appurtenances attached to, or built into, the Leased Premises or subsequently installed pursuant to any other provisions hereof, whether or not at Tenant's expense, shall be and remain part of the Leased Premises and shall not be removed by Tenant at the expiration of the Lease Term, except as otherwise provided herein.

6.1 *Fixtures.* All electric fixtures and outlets; plumbing; heating; sprinkling; built-in components of telephone or communication systems; partitions, railings, doors, paneling, molding, cabinetry, built-in shelving, flooring, floor and wall coverings; and all ventilating, silencing, air conditioning, cooling and heating equipment; and lighting fixtures where permanently installed within or to interior walls, floors and ceilings, shall be deemed as fixtures and to comprise a part of the Leased Premises and shall not be removed by Tenant except as otherwise specifically provided herein.

6.2 *Movable Items.* Where not built into the Leased Premises or permanently installed within or to interior walls, floors and ceilings, and if furnished by or at Tenant's expense, all readily removable trade fixtures, telephone and communications equipment, electric fixtures, non-attached carpets or rugs, electric fans, water coolers, kitchen appliances, furniture, furnishings, and equipment shall not be deemed fixtures and a part of the Leased Premises, and may be removed by Tenant upon the condition that Tenant shall pay the cost of repairing any damage to the Leased Premises arising from any such removal.

7. Use. Tenant will occupy the Leased Premises continuously and in entirety and will not use or permit any portion of the Leased Premises to be used for any purpose other than for storage, and related services and administrative activities and all other activities reasonably incident thereto. Tenant may not use the Leased Premises for any purpose which is unlawful, disruptive, adversely affects Landlord's business conducted on adjacent and contiguous properties, or increases the risk of casualty or the rate of fire or casualty insurance covering the Building or its contents. Tenant will maintain the Leased Premises in a clean and healthful condition. Tenant, at Tenant's expense, shall comply and shall cause Tenant's agents, employees, licensees and invitees to comply

fully with: (a) all Laws pertaining to Tenant's use of the Leased Premises; (b) all other Legal Requirements, including all applicable Laws pertaining to the operation of a manufacturing facility, air and water quality, hazardous materials, waste disposal, all emissions and other environmental matters; and (c) all zoning and other land use matters and with any directive of any Governmental Authority, pursuant to Law, which shall impose any duty upon Landlord or Tenant with respect to the use or occupancy of the Leased Premises.

8. Americans With Disabilities Act Requirements. Tenant is responsible for and will maintain the Building in substantial compliance with the commercial facilities provisions of Title III of the Americans With Disabilities Act of 1990, as amended (the "ADA") applicable to Tenant's use, and Tenant shall bear the cost of any improvements, repairs, renovations or modifications that may from time to time be required to bring the Building into compliance or maintain the Building's compliance with the commercial facilities provision of Title III of the ADA applicable to Tenant's use. Tenant shall indemnify and hold Landlord harmless from and against any losses, costs, damages or claims of whatever nature, arising out of or in connection with the compliance requirements set forth in the ADA, as amended, relating to Tenant's use and occupancy of the Leased Premises and/or Tenant's alteration and/or renovation of the Building, including, but not limited to, any changes necessitated because of the specific needs of Tenant's employees.

9. Quiet Enjoyment. If Tenant pays Rent herein reserved and performs the obligations of Tenant hereunder, Tenant will peacefully hold and enjoy the Leased Premises throughout the Lease Tenn.

10. Insurance. Tenant, at Tenant's cost and expense, shall maintain during the Lease Term, the following insurance coverages provided in this Section 10.

10.1 *Tenant's Obligation*. Tenant will maintain the following policy or policies of insurance insuring Tenant and naming Landlord as an additional insured: (a) fire and extended coverage insurance covering the Building and Tenant's property located in the Leased Premises and including an agreed valuation provision in the amount of $1,200,000 in lieu of any coinsurance clause and a standard Oklahoma mortgage clause in favor of the Holder of any Encumbrance, having a deductible no greater than $5,000.00; (b) business interruption insurance covering the risks referred to in preceding clause (a) in an amount sufficient to prevent Landlord and Tenant from becoming a co-insurer of any partial loss under the applicable policies, but in any event, not less than an amount equal to the product of (i) three (3) multiplied by (ii) the amount of Rent then payable for the applicable Lease Term; (c) commercial general liability insurance, including contractual liability insurance, for injury to or death of any person occasioned by or arising out of or in connection with occupancy of the Leased

Premises, the limits of such policy or policies to be in an amount of not less than the limits of liability under the Governmental Torts Claim Act, 51 O.S. 2001, §151 et seq; and (d) workmen's compensation insurance covering all persons employed by Tenant in connection with Tenant's business operations, in such amounts as required by Law. Landlord shall be named as an additional insured on the Policy. Landlord, by notice to Tenant before the Commencement Date, may elect to obtain and keep in force the policy or policies of fire and extended coverage insurance covering the Building including the agreed valuation provision in the amount of $1,200,000 in lieu of any coinsurance clause having a deductible no greater than $5,000.00. In that event, (a) Trade Fixtures and Tenant's personal property shall be insured by Tenant, and (b) Tenant shall, within 10 days following receipt of an invoice from Landlord, reimburse Landlord for the Landlord's premium cost for such policy or policies of fire and extended coverage insurance. If the Landlord's premium cost is attributable to premiums for policy periods commencing prior to or extending beyond the Term of the Lease, Landlord's premium cost shall be prorated by actual days to correspond to the Term of the Lease.

10.2 *Evidence of Coverage.* Tenant will furnish to Landlord on or before the Commencement Date a certificate of insurance satisfactory to Landlord confirming the maintenance of such insurance and the payment of all premiums. Renewal certificates or copies of renewal policies will be delivered to Landlord at least ten (10) days prior to the expiration of any policy. Tenant will obtain a written obligation on the part of each insurance company to notify Landlord at least thirty (30) days prior to cancellation of such insurance.

10.3 *Carriers.* All insurance required under this Section shall be issued by insurance companies licensed to do business in the State of Oklahoma and acceptable to Landlord. Provided, however, that Landlord shall not unreasonably withhold its approval of an insurance carrier selected by Tenant.

10.4 *Policy Provision: Business Interruption Insurance.* The business interruption insurance policy described in Section 10.1, clause (b) shall name Landlord as an insured for the amounts specified in said clause (b). Tenant shall receive a credit against Rent and Additional Rent equal to the amount of proceeds actually paid to Landlord pursuant to such insurance.

10.5 *Landlord's Obligations.* Landlord currently maintains insurance coverage for the building at its own expense. Landlord shall have no obligation to maintain insurance coverage for the Building, if in its sole discretion Landlord determines that the cost of insuring the Building is not economically feasible.

11. <u>Payment of Taxes</u>

11.1 *Tenant's Obligation.* Throughout the Lease Term, Tenant shall pay all Taxes (except as hereinafter in Section 11.3 provided), as and when the same become due, before any fine, penalty, interest or cost may be added thereto, or become due or be imposed by operation of Law for the non-payment thereof; subject, however, to Tenant's specific rights to contest the same as set forth herein.

11.2 *Installments.* If any Taxes may be paid in installments (whether or not interest shall accrue on the unpaid balance of such Taxes) Tenant may exercise the option to pay the same (and any accrued interest on the unpaid balance of such Taxes) in installments. In such event, Tenant shall pay such installments as the same become due during the term of this Lease and before any fine, penalty, further interest or cost may be added thereto. The amount of all installments of any such Taxes, which are to become due and payable after the expiration of the Lease Term, shall be paid prior to the expiration of the Lease Term.

11.3 *Proration of Taxes.* Any Tax, other than Taxes which have been converted into installment payments by Tenant pursuant to Section 11.2 relating to a fiscal period of the taxing authority to whom the Tax is owed, a part of which period is included within the Lease Term and a part of which is included in a period of time after the expiration of this Lease, shall (whether or not such Tax shall become payable, during the term of this Lease) be adjusted between Landlord and Tenant as of that portion of such Tax which that part of such fiscal period included in the period of time before the expiration of this Lease bears to such fiscal period, and Tenant shall pay such portion thereof. If Tenant shall be in default in the performance of any of Tenant's covenants, agreements and undertakings of this Lease, then to the extent of the amount of any such default Tenant shall not be entitled to receive an apportionment.

11.4 *Evidence of Payment.* Tenant shall pay all such Taxes directly to the taxing authority to whom payment is owed. Upon written request by Landlord, Tenant shall furnish to Landlord, not later than ten (10) business days prior to the date when any Tax would become delinquent, evidence of such payment.

11.5 *Contest Right.* Tenant at Tenant's own cost and expense shall have the right to contest the amount or validity, in whole or in part, of any Tax by appropriate legal proceedings diligently conducted in good faith. Tenant may postpone or defer payment of such Tax if:

(a) Neither the Leased Premises nor any part thereof would by reason of such postponement or deferment be in danger of being forfeited or lost; or

(b) Tenant shall have deposited with a bank or trust company acceptable to Landlord the amount so contested and unpaid, together with all interest and penalties in connection therewith and all charges that may or might be assessed against or become a charge on the Leased Premises or any part thereof in such proceedings.

Tenant shall pay the amount of such Tax or part thereof as finally determined in such proceedings, the payment of which may have been deferred during the prosecution of such proceedings, together with any costs, fees, interest, penalties or other liabilities in connection therewith. If, at any time during the continuance of such proceedings, Landlord shall deem the amount deposited as aforesaid insufficient, Tenant shall, upon demand, make an additional deposit of such sum as Landlord reasonably may request, and upon failure of Tenant so to do, the amount theretofore deposited may be applied by Landlord to the payment, removal and discharge of such Tax, and the interest and penalties in connection therewith and any costs, fees or other liability accruing in any such proceedings, and the balance, if any, shall be returned to Tenant.

11.6 *Landlord's Cooperation.* Landlord shall not be required to join in any legal proceeding referred to in Section 11.5 hereof. Landlord shall not be subjected to any liability for the payment of any costs or expenses in connection with any such proceedings; and Tenant will indemnify and save harmless Landlord from any such costs and expenses. Except as otherwise provided in this Lease, Tenant shall be entitled to any refund of any Tax and penalties or interest thereon received which have been paid by Tenant.

12. Maintenance and Alterations. Landlord and Tenant agree as follows:

12.1 *Allocation of Responsibilities.* During the Lease Term, Tenant shall keep and maintain the Leased Premises in as good order and repair as they are on the date of occupancy, reasonable wear and tear excepted; provided, however, that Landlord shall be responsible for any necessary repairs to the basic structure of Landlord's building including the foundation, building supports, exterior walls and roof, excluding, however, any repairs to such basic structure made necessary by damages caused by any acts or omissions of Tenant, its employees or agents. Structural repairs shall be deemed to be needed when failure to make the same will result in a potential or actual hazard to persons or property and/or impair the use or occupancy of the Building by Tenant. Provided however, that if repairs to the basic structure of the building are deemed necessary, and Landlord, in its sole discretion determines that it is not economically feasible to make the repairs, Landlord shall have the right to terminate the Lease by giving notice in writing to Tenant. Landlord shall not be required to furnish any services or to make any normal repairs or alterations in or to the Leased Premises, other than to the basic structure of Landlord's building. Tenant hereby accepts the Leased Premises in "AS IS" condition except as provided in this Section 12. Tenant shall indemnify and hold Landlord harmless of and from any claims, damages, or demands upon or arising out of the failure of Tenant to perform this covenant or arising out of any accident, injury or damage to any person or property which shall or may happen in, upon or about the Leased Premises, however caused. Tenant will not commit or allow any waste or damage to be committed on any portion of the Leased Premises. In performing its repair obligations, Tenant shall keep the Leased Premises free and clear of any and all mechanics' and materialmen's liens or other similar liens or charges incidental to work done or material supplied in or about the Leased Premises. Landlord shall not be called upon in any event, to make any repairs occasioned by the activities of Tenant, its agents, employees or licensees.

12.2 *Alterations*. Tenant shall have no right to (i) alter the kitchen area in the Building; (ii) remove any items from the kitchen; (iii) alter the plumbing; or (iii) remove any block walls or otherwise impair the structural integrity of the Building without Landlord's written consent. Except as expressly prohibited herein, Tenant shall have the right, from time to time, at Tenant's sole cost and expense, to make alterations and additions to the interior of the Leased Premises ("Alterations") as may be necessary or useful to Tenants use and occupancy.

12.2.1 *General Conditions*. Any Alterations performed by Tenant or by Persons employed by Tenant, shall comply with all Legal Requirements. All such Alterations shall be installed in a good and workmanlike manner, incorporating new materials comparable in quality and grade as contained in the Building and Leased Premises as of the Commencement Date. Prior to commencing any work in connection such alterations or additions, Tenant shall, if it uses its own contractors, furnish Landlord with certificates of insurance coverage as required by Landlord with respect to any contractors performing labor and furnishing materials to the Building.

12.2.2 *Additional Requirement*. If the proposed Alterations require excavation, Tenant shall and does hereby assume all obligations imposed by Law on owners and occupants of land with respect to shoring and lateral support and Tenant agrees to prevent any claims or liens against Landlord or the Leased Premises by reason of failure to furnish such lateral support or shoring.

13. <u>Discharge of Liens.</u>

13.1 *Specific Covenant*. Tenant will not create or permit to be created or asserted or to remain any lien, encumbrance or charge (levied on account of any Tax or any mechanic's, laborer's or materialman's lien) against the Land, the Leased Premises or any part thereof. Any Tax may, however, after the same becomes or is asserted to be a lien on the Land or any part thereof, be paid or contested in accordance with Section 13.3 hereof, and any asserted mechanic's, laborer's or materialman's lien may be discharged in accordance with Section 13.2 hereof.

13.2 *Discharge of Liens.* If any mechanic's, laborer's or materialman's lien shall at any time be filed against the Land or any part thereof, the Building or the Leased Premises, Tenant will cause the same to be discharged of record by payment, deposit, bond, order of a court of competent jurisdiction or otherwise. If Tenant shall fail to cause such lien to be discharged within the period aforesaid, then, in addition to any other right or remedy, Landlord may, but shall not be obligated to, discharge the same either by paying the amount claimed to be due or by procuring the discharge of such lien by deposit or by bonding proceedings. Any amount so paid by Landlord and all costs and expenses incurred by Landlord in connection therewith, together with interest thereon at the rate of twelve percent (12.00%) per annum from the respective dates of Landlord's making of the payment or incurring of the cost and expense shall constitute Additional Rent payable by Tenant under this Lease and shall be paid by Tenant to Landlord on demand.

13.3 *Contesting Liens.* Notwithstanding the foregoing, Tenant shall not be required to pay or discharge any such mechanic's lien so long as Tenant shall in good faith proceed to contest the same by appropriate Legal Proceedings; provided, however, that Tenant shall give written notice to Landlord of Tenant's intention to contest the validity of such lien. If such lien shall be reduced to judgment or such process as may be issued for the enforcement thereof is not promptly stayed, or if so stayed and such stay thereafter expires, then in that event Tenant shall pay and discharge said judgment forthwith and failing this Landlord (in addition to the remedies otherwise provided herein) shall have the remedies provided in preceding Section 13.2 hereof.

14. Assignment; Subletting. Tenant will not assign or encumber this Lease or any interest herein or sublet the Leased Premises in whole or in part without the prior written consent of Landlord. Any such assignment, encumbrance, subletting or occupancy without such consent will be void. If Tenant desires to assign or encumber this Lease or sublet the Leased Premises or any part thereof, Tenant will give Landlord written notice of such desire specifying the name of the proposed assignee, mortgagee, or subtenant, the proposed effective date and all other terms of the proposed assignment, encumbrance or sublease at least thirty (30) days prior to the date such assignment, encumbrance or sublease is proposed to be effective. Landlord will have the option for a period of twenty (20) days after receipt of such notice to: (a) permit Tenant to assign, encumber or sublet such portion of the Leased Premises; or (b) refuse any consent and continue this Lease in effect as to the entire Leased Premises. The failure by Landlord to exercise any of the foregoing options within the time provided will be deemed an exercise of option (b) above. Notwithstanding any consent granted by Landlord, Tenant and each assignee and subtenant will at all times remain fully liable for the payment of Rent and for the performance of Tenant's obligations hereunder. No consent granted by Landlord will constitute a waiver of the provisions of this Section

except as to the specific instance covered thereby. Tenant shall pay for the costs of Landlord's expenses in reviewing the proposal and drafting the necessary documents, if any, including reasonable attorney fees incurred by Landlord.

15. Condemnation. If, at any time during the Lease Term, title to the whole or substantially all of the Land or the Leased Premises shall be taken by statute or in condemnation proceedings or by any right of eminent domain (hereinafter called a "Taking"), this Lease shall terminate and expire on the date of such Taking and the Rent and other charges payable hereunder shall be apportioned and paid to the date of such Taking. For purposes of this Section, "substantially all" of the Land or the Leased Premises shall be deemed to have been taken if the remaining portion cannot be practically and economically used or converted for use by Tenant for purposes of a casket and burial products manufacturing facility contemplated by this Lease, and "date of Taking" shall mean the date that possession of the Land, the Leased Premises, or any part thereof is denied Tenant and Landlord so that the intents and purposes of this Lease are incapable of being fulfilled.

15.1 *Apportionment of Award.* In the event of any such Taking and the termination of this Lease, Landlord and Tenant shall together make one claim for an award for the combined interests in the subject property, and the net award received (after deduction of reasonable fees and expenses, including without limitation reasonable fees for attorneys and experts) shall be paid as follows and in the following order and priority:

(a) The Holder of any Encumbrance, if applicable, shall first receive the amount required to be applied in reduction of the outstanding balance of the indebtedness secured by the Encumbrance.

(b) Landlord shall then be entitled to receive that portion of the award if any remains, as shall represent compensation for the value of Landlord's fee interest in and to the Leased Premises or the condemned portion thereof. Landlord shall also be entitled to Landlord's costs awarded in the condemnation proceeding, if separately awarded pursuant to applicable Law.

(c) The balance of said award or awards, if any, shall then be paid to Tenant, except if the Taking occurs in the last year of the Lease Term.

15.2 *Determination of Values.* If the values of the respective interests of Landlord and Tenant are separately determined in the Taking, the values so determined shall be conclusive upon Landlord and Tenant. If these values have not been separately determined, they shall be fixed by agreement between Landlord and Tenant.

15.3 *Partial Taking.* Upon a taking of only a portion of the Land, the Building or of an easement therein, which does not substantially impair, render impractical or uneconomical the future operation of the Leased Premises as a manufacturing facility, this Lease shall nevertheless continue, and in such event Tenant agrees to apply the entire award to repair or restore any improvements affected by the Taking, to permit the continuing improvements to be used by the Tenant as contemplated herein, in the most economical manner. Tenant shall not be obligated to expend an amount in excess of the proceeds of the net award available to Tenant for such purposes.

16. Casualty. The following provisions shall apply to damage or destruction to the Leased Premises.

16.1 *Damage.* If the Leased Premises are damaged by fire or other casualty, Tenant shall give prompt written notice thereof to Landlord. If such damage cannot be repaired within 180 days from the date of such casualty (as estimated by Landlord), this Lease, at the option of either Landlord or Tenant, exercised by giving written notice thereof to the other within sixty (60) days after the occurrence of such damage, will terminate as of the date such notice is given. On such termination Tenant will pay Rent and all other obligations of Tenant apportioned to the date on which such damage occurred and will immediately surrender the Leased Premises to Landlord. If the damage can be repaired within the 180 day period, or if the damage cannot be repaired within 180 days but neither Landlord nor Tenant exercises the option to terminate this Lease, Landlord will make the repairs to the Leased Premises, at to the extent covered by the proceeds of insurance carried by Landlord or Tenant pursuant to the terms hereof, and this Lease will continue in effect, but Rent will be equitably reduced or abated (as determined in the good faith judgment of Landlord and following application of the proceeds from the business interruption insurance coverage) until such repairs are made. Rent will not be abated or reduced so long as Tenant's continued occupancy of the Leased Premises is not materially interrupted. Neither Landlord nor Tenant shall be required to make repairs or restorations or incur cost or expense in excess of the proceeds of the casualty insurance carried pursuant to the terms hereof.

16.2 *No Liability.* Landlord shall not be liable to Tenant for any inconvenience or annoyance to Tenant or injury to the business of Tenant resulting in any way from such damage or the required restoration work other than abatement of Rent as and when applicable in accordance with this Section 16, provided, however, if the Leased Premises is damaged by any casualty resulting from the fault or negligence of Tenant or any of Tenant's agents, employees, or invitees, the Rent hereunder shall not abate and Tenant shall be liable to Landlord for the cost of repair and restoration of the Leased Premises to the extent such cost and expenses are not covered by insurance proceeds.

16.3 *Holder's Requirements.* Any provisions of this Section 16 to the contrary notwithstanding, Tenant hereby acknowledges that in the event any Holder under any Encumbrance should require that proceeds of insurance be used to retire the indebtedness secured thereby in accordance with the provisions of such Encumbrance, neither Landlord nor Tenant shall have any obligation to rebuild or restore the Building and this Lease shall terminate on thirty (30) days written notice to Landlord.

17. Entry. Landlord and Landlord's agents, employees and contractors will have the right to enter the Leased Premises at all reasonable hours (or, in any emergency, at any hour), to inspect, clean, or repair the Leased Premises as Landlord may deem necessary or to comply with Legal Requirements. Tenant will not be entitled to any abatement or reduction of Rent by reason thereby nor shall any such entry for such purposes constitute an actual or constructive eviction of Tenant. Landlord may also enter the Leased Premises at any time upon reasonable notice to Tenant to conduct an economic appraisal of the Leased Premises or to show the Leased Premises to prospective purchasers, mortgagees, and tenants.

18. Surrender of Leased Premises. Upon the Expiration Date or other termination of this Lease, Tenant shall quit and surrender the Leased Premises and such Leased Premises shall be broom clean and in good condition and repair, reasonable wear and tear and insured casualty loss excepted. Tenant shall ascertain from Landlord at least sixty (60) days prior to the Expiration Date or other termination of this Lease whether Landlord requires Tenant to restore the Leased Premises or any part thereof to the condition, which existed at the Commencement Date. Upon any such notification, Tenant, at Tenant's sole cost and expense, shall restore the same before the Expiration Date or other termination date and Tenant shall remove all property Tenant is entitled to remove together with any alterations, additions, and improvements which Landlord has given Tenant written instructions to remove. Tenant, at Tenant's expense, shall immediately repair any damage to the Leased Premises resulting from the removal of Tenant's unattached, movable property or property Landlord has given Tenant written instructions to remove. If the Leased Premises are not surrendered as provided herein, Tenant shall indemnify Landlord against any loss or liability resulting from the delay of Tenant in surrendering the Leased Premises.

18.1 *Holding Over.* If Tenant continues to occupy the Leased Premises after termination of the Lease, such holding over will, unless otherwise agreed by Landlord in writing, constitute a tenancy at will and Tenant shall pay to Landlord an amount equal to one and a half (1.5) times the amount of Rent payable during the last month prior to the termination and be subject to all of the other provisions set forth herein.

18.2 *Abandoned Property.* Landlord may, at Landlord's option, take possession of all personal property not removed by Tenant from the Leased Premises if Landlord receives notice or has a reasonable belief Tenant has abandoned any personal property. On the occurrence of any such event Landlord may remove and store such property, at the expense of Tenant, without being liable to Tenant therefor. Landlord will thereafter comply with all notice requirements, and other procedures required by the Law of the State of Oklahoma with respect to the disposition of abandoned or unclaimed property and apply any net proceeds, after deducting any actual and direct costs and fees incurred in securing, storing and selling such property, against any Rent or other amounts due hereunder, or if no amounts are due Landlord hereunder, then to Tenant.

19. Default. The following events shall be deemed to be events of default by Tenant hereunder ("Tenant Defaults" or "Default") if not cured within the applicable cure period.

19.1 *Monetary Default.* Tenant's failure to pay any Rent or other sums payable by Tenant hereunder within ten (10) days from the due date.

19.2 *Non-Monetary Defaults.* Tenant's failure to cure any of the following events within thirty (30) days after written notice thereof to Tenant:

(a) material failure by Tenant to comply with any term of this Lease other than non-payment of any Rent when due;

(b) failure by Tenant to continue to occupy all of the Leased Premises and to conduct and operate Tenant's business within the Leased Premises for a period of more than sixty (60) consecutive Business Days; or

(c) the making by Tenant of a transfer in fraud of creditors or an assignment for the benefit of creditors.

19.3 *Other Defaults.* The following events shall also be deemed events of default if not dismissed within sixty (60) days of the filing thereof:

(a) the filing by or against Tenant of any proceeding under the federal bankruptcy act or any similar Law;

(b) the adjudication of Tenant as bankrupt or insolvent in proceedings filed under the federal bankruptcy act or any similar Law; or

(c) the appointment of a receiver for Tenant or for any assets of Tenant.

20. Remedies. Upon Default, Landlord has the option to do any one or more of the following without any further notice or demand:

20.1 *Termination.* Landlord may terminate this Lease by written notice allowing 90 days to vacate the premises, in which event Tenant will immediately surrender the Leased Premises to Landlord (in accordance with the provisions set forth in Section 18). If Tenant fails to do so, Landlord may without notice and without prejudice to any other remedy, enter and take possession of the Leased Premises and remove Tenant and Tenant's property therefrom without being liable for prosecution or for any claim for damages therefor.

20.2 *Reletting.* Landlord may take possession of the Leased Premises without terminating this Lease, and Landlord may change the locks on the doors to the Leased Premises. If Landlord terminates Tenant's possession of the Leased Premises, either with or without terminating the Lease, then either: (a) the aggregate amount of the Rent for the remainder of the Lease Term shall mature and be due and payable, and Landlord shall have the right to immediate recovery of all such amounts, together with interest thereon as provided hereinabove discounted to present value using the prime rate as published in the Wall Street Journal in the region in which the Leased Premises are located; or (b) Landlord may relet the Leased Premises either in the name of Landlord or as the agent of Tenant and receive the rent therefor. Such reletting, if undertaken at Landlord's sole discretion, may be for such term or terms (which may be greater or less than the then balance of the Lease Term hereunder) and on such conditions (which may include concessions or free rent) as Landlord in Landlord's absolute discretion may determine. Landlord will have no duty to relet the Leased Premises and the failure of Landlord to relet the Leased Premises will not release or affect Tenant's liability for Rent or for damages determined as provided in clause (a) above.

20.3 *Rents from Reletting.* Landlord may apply Rents from any reletting in the following order: (a) to the cost and expenses of reentry (including reasonable attorney's fees), redecoration, repair and alterations; and (b) to the payment of Rent accrued and to accrue hereunder. Any excess shall belong solely to Landlord. Landlord may sue and recover judgment for any deficiencies remaining after the application of the proceeds of reletting.

20.4 *No Abatement.* Any action committed by Landlord pursuant to this Section shall in no way cause or result in any abatement of Rent or any other charge payable by Tenant thereunder.

20.5 *Damages.* Landlord may prove for and obtain damages equal to the maximum allowed by any Law in effect at any time when, and governing the proceedings in which, such damages are to be proved.

20.6 *Option to Perform.* Landlord may perform, but is under no obligation to perform, the obligations of Tenant hereunder. Tenant agrees to reimburse Landlord on demand as Additional Rent for any expense or cost, including reasonable attorneys' fees, which Landlord might or does incur in effecting compliance with this Lease on behalf of Tenant. Landlord shall not be liable or responsible for any loss, inconvenience, annoyance or damage resulting to Tenant or anyone holding under Tenant for any action taken by Landlord pursuant to this Section.

20.7 *Reservation of Rights.* The rights reserved by Landlord herein are cumulative of every other right or remedy which Landlord might otherwise have at law or in equity. The exercise of one or more rights or remedies will not prejudice the concurrent or subsequent exercise of other rights or remedies.

20.8 *Non-Waiver of Remedies.* No action by Landlord will be deemed an acceptance of an attempted surrender of the Leased Premises. No agreement to accept a surrender of the Leased Premises will be valid unless made in writing and signed by Landlord. No re-entry or taking possession of the Leased Premises by Landlord will be construed as an election by Landlord to terminate this Lease unless a written notice of termination is given to Tenant. Landlord's acceptance of Rent following the occurrence of a Default will not be construed as Landlord's waiver of such Default. No waiver by Landlord of any Default will be deemed to constitute a waiver of any other or future Default hereunder. No provision of this Lease will be deemed to have been waived by Landlord unless such waiver is in writing signed by Landlord.

21. Landlord's Transfer. In the event Landlord transfers Landlord's interest in the Leased Premises, Landlord will thereby be released from any further obligation hereunder and the transferee will thereafter be liable for the performance of any obligations of Landlord hereunder and Tenant agrees to attorn and look solely to the transferee for the performance of such obligations.

22. Certificates. Tenant agrees to execute and deliver from time to time within ten (10) days after written request by Landlord a certificate, to the extent true or except as otherwise set forth in the certificate, certifying that: (a) Tenant has entered into occupancy of the Leased Premises; (b) the amount of Rent payable by Tenant hereunder; (c) this Lease is in full force and effect and has not been assigned, modified, supplemented or amended; (d) neither Landlord nor Tenant is in default hereunder; (e) this Lease represents the entire agreement between Landlord and Tenant; (f) the Expiration Date; (g) all conditions under this Lease to be performed by Landlord have

been satisfied; (h) no Rent has been paid more than thirty (30) days in advance of its due date; (i) no defense or offset currently exists or is claimed by Tenant against Landlord or against enforcement of this Lease; (j) the address for notices to be sent to Tenant is as set forth in such certificate; (k) and such other certifications which might reasonably be required by Landlord. The certificate will also contain an agreement by Tenant with Holder that after the date of such certificate, Tenant will not: (aa) pay any Rent more than thirty (30) days in advance of its due date; (bb) surrender or consent to the modification, amendment or termination of this Lease by Landlord without the prior written consent of the Holder; or (cc) seek to terminate this Lease by reason of any default by Landlord until Tenant has given thirty (30) days prior written notice of such default to Holder.

23. Hazardous Materials. Tenant shall not cause or permit any Hazardous Material to be brought upon, kept or used in or about the Building or the Leased Premises by Tenant, its agents, employees, contractors or invitees without the prior written consent of Landlord, which Landlord shall not unreasonably withhold as long as Tenant demonstrates to Landlord's reasonable satisfaction that such Hazardous Material is necessary or useful to Tenant's business and will be used, kept and stored within the Leased Premises in a manner that complies with all Laws regulating any such Hazardous Material.

23.1 *Indemnification.* If Tenant breaches the obligations of this Section, or if the presence of Hazardous Material within the Land, the Building or the Leased Premises caused or permitted by Tenant results in contamination of the Leased Premises, the Land or the Building by Hazardous Material otherwise for which Tenant is legally liable, then Tenant shall indemnify, defend and hold Landlord harmless from any and all claims, judgments, damages, penalties, fines, costs, liabilities or losses incurred by Landlord (including diminution in value of the Leased Premises, damages for the loss or restriction on use of rentable or usable space or of any amenity of the Leased Premises, damages arising from any adverse impact on marketing of space, and sums paid in settlement of claims, attorneys' fees, consultant fees and expert fees) which arise during or after the Lease Term as a result of such contamination. This indemnification includes costs incurred by Landlord in connection with any investigation of site conditions and any action to remedy any contamination of the Land, Building or Leased Premises (a "Discharge"), including any clean-up, remedial, removal or restoration work required by any Governmental Authority because of Hazardous Material present in the soil or ground water on or under the Land. If the presence of any Hazardous Material within the Land, the Building or the Leased Premises caused or permitted by Tenant results in Discharge, Tenant shall promptly take all actions at its sole expense as are necessary to return the Land, Building or Leased Premises to the condition existing prior to the Discharge; provided, that Landlord's approval of such actions shall first be obtained. The foregoing indemnity shall survive the Expiration Date or earlier termination of this Lease.

23.2 *Disclosure.* Promptly following receipt of written request from Landlord, Tenant shall disclose to Landlord the names and amounts of all Hazardous Materials, or any combination thereof, which were stored, used or disposed of on the Leased Premises, or which Tenant intends to store, use or dispose of on the Leased Premises.

23.3 *Inspection.* Landlord and its agents shall have the right, but not the duty, to inspect the Leased Premises at any time to determine Tenant's compliance with this Section. Landlord shall have the right to immediately enter upon the Leased Premises to remedy any Discharge caused by Tenant's failure to comply and Tenant shall reimburse Landlord for all costs and expenses incurred by Landlord. Landlord shall use reasonable efforts to minimize interference with Tenant's business, but shall not be liable for any interference caused thereby.

23.4 *Default.* Any default under this Section 23 shall be a material Default enabling Landlord to exercise any of the remedies set forth herein.

24. <u>Subordination, Attornment, Estoppel.</u>

24.1 *Subordination.* This Lease shall be subordinate to any Encumbrance that now or hereafter covers all or any part of the Leased Premises, including any modifications, renewals or extensions of such Encumbrance provided as to any future Holder Tenant receives an SNDA (defined below) from the Holder. Notwithstanding the foregoing, Tenant agrees that any such Holder shall have the right at any time to subordinate such Encumbrance to this Lease on such terms and subject to such conditions as Holder may deem appropriate in its discretion. Tenant agrees upon demand to execute such further instruments subordinating this Lease or attorning to the Holder as Landlord may reasonably request, providing in such instrument ("SNDA") Holder agrees not to disturb the occupancy of Tenant so long as no Event of Default occurs.

24.2 *Attornment.* Tenant shall attorn to any party succeeding to Landlord's interest in the Leased Premises, whether by purchase, foreclosure, deed in lieu of foreclosure, power of sale, termination of lease, or otherwise, upon such party's request, and shall execute such agreements confirming such attornment as such party may reasonably request.

24.3 *Notices to Holder.* Tenant shall not seek to enforce any remedy (other than injunctive or other equitable relief) it may have for any default on the part of the Landlord without first giving written notice by certified mail, return receipt requested, specifying the default in reasonable detail, to any Holder whose address has been given in writing to Tenant, and affording such Holder a reasonable opportunity to perform Landlord's obligations hereunder.

24.4 *Certificate.* Tenant agrees that, within ten (10) business days of written request by Landlord, it will execute and deliver to such persons as Landlord shall request a statement in recordable form certifying that this Lease is unmodified and in full force and effect (or if there have been modifications, that the same is in full force and effect as so modified), stating the dates to which Rent and other charges payable under this Lease have been paid, stating that Landlord is not in default hereunder (or if Tenant alleges a default, stating the nature of such alleged default) and further stating such other matters as Landlord shall reasonably require.

25. Miscellaneous. Landlord and Tenant further agree as follows:

25.1 *Notices.* Any notice to be given hereunder will be deemed to be given three (3) days after being deposited with the United States Postal Service, certified or registered mail, return receipt requested, with sufficient postage prepaid, addressed as stated below, or on the day of its personal delivery to the office of the respective party set forth below; and if telecopied or delivered by overnight courier, such notice will be deemed to be given on the business day immediately following the day on which it was telecopied or deposited with the courier.

Any Notice to Tenant shall be sent to:

Standley Systems, LLC
Attention: Blake Elliot
528 W. Iowa
Chickasha, Ok. 73018
Telephone: (405) 224-0819
Facsimile: (405) 224-3010

Any Notice to Landlord shall be sent to:

City of Chickasha
117 N. 4th Street
Chickasha, Ok 73018
Attention: City Manager
Telephone: (405) 222-6045
Facsimile: (405) 222-6004

Either party may at any time designate any other address for notices by giving written notice thereof to the other party.

25.2 *Attorneys' Fees.* If either party is required to hire an attorney because of the breach by the other of any provision of this Lease, then the prevailing party will be entitled to receive its reasonable attorneys' fees and expenses from the other to the extent permitted by Law.

25.3 *Entire Agreement and Amendment.* Tenant agrees that there are no representations, understandings, stipulations, agreements or promises pertaining to this Lease or the Leased Premises which are not incorporated herein. This Lease will not be altered, waived, amended or extended, except by a written agreement signed by Landlord and Tenant.

25.4 *Severability.* If any clause or provision of this Lease is illegal, invalid or unenforceable under any present or future Law, the remainder of this Lease will not be affected thereby. It is the intention of the parties that if any provision is held to be illegal, invalid or unenforceable, there will be added in lieu thereof a provision as similar in terms to such provision as is possible and be legal, valid and enforceable.

25.5 *Binding Effect.* The provisions of this Lease will be binding on and inure to the benefit of Landlord and Tenant and their respective successors and permitted assigns.

25.6 *Governing Law.* This Lease will be construed and enforced according to the Laws of the State of Oklahoma. All claims, disputes and other matters in question arising out of or relating to this Lease, or the breach thereof, will be decided by proceedings instituted and litigated in a court of competent jurisdiction in the State of Oklahoma with venue in the District Court of Grady County.

25.7 *Time.* Time is of the essence in the performance of Landlord's and Tenant's respective obligations hereunder.

EXECUTED on the date first above written.

"LANDLORD"	"TENANT"
By: ______________________	By: [signature] ______________________
Chris Mosley, Mayor	President

ATTEST:

____

By: ______________________

Chris Mosley, Chairman of Board of Trustees

ATTEST:

____