

CHICKASHA MUNICIPAL AUTHORITY

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

TIME OF MEETING
6:30 PM

DATE OF MEETING
DECEMBER 1, 2025

All items on this agenda, including but not limited to any agenda item concerning the adoption of any ordinance, resolution, contract, agreement, or any other item of business, are subject to amendment, including additions and/or deletions. This rule will apply to every individual agenda item without exception, and without providing this same amendment language with respect to each individual agenda item. Such amendments should be rationally related to the topic of the agenda item, or the governing body will be advised to continue the item.

The governing body may adopt, approve, ratify, deny, defer, recommend, amend, strike, or continue any agenda item. When more information is needed to act on an item, the governing body may refer the matter to its City/Trust Manager, staff, attorney or to the recommending board, commission or committee.

- 1. Call to Order / Roll Call.**

- 2. Consent Docket:**
 - a. Acceptance of Minutes of the November 17, 2025, regular meeting.
 - b. Acceptance of the Claims List.
 - c. Authorize Staff to solicit bids for CMA-2504 - HVAC Maintenance Agreement.
 - d. Approve the Authorized Representative Certificate for the OWRB State Loan Program Revenue Bond and authorize the Chairman to execute the same.

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

4. Consideration and Discussion Items:

- a. Discussion, consideration and possible action to approve an oil and gas lease with Hermitage Holdings, LLC following a public auction pursuant to Title 64 Sections 1081 and 1082 for the following described property:

Section 28, Township 7 North, Range 7 West:

The West 6.5' of Lot 10, Block 28, Chickasha OT Addition, containing 0.0321 net mineral acres, more or less; together with all roads, alleyways, easements, and rights-of-ways appurtenant thereto, as shown on the official recorded plat thereof.

Located in Grady County, Oklahoma

5. Motion for Adjournment.

CHICKASHA

Meeting Type: CMA Agenda 12-1-2025

Meeting Date: 12/1/2025

Department: City Clerk

Agenda Item No. 2.a.

AGENDA ITEM: Acceptance of Minutes of the November 17, 2025, regular meeting.

I. BACKGROUND/DESCRIPTION:

II. RECOMMENDED ACTION:

Acceptance of Minutes of the November 17, 2025, regular meeting.

III. FISCAL INFORMATION -

IV. FUND INFORMATION:

Dept. Director:	Fund	Account	Amount
Susan M. McDaniel, CMC - City Clerk	(To)		
	FUND	ACCOUNT	AMOUNT
Meeting Date: December 1, 2025	(From)		

V. ATTACHMENTS:

1. CMA Minutes 11-17-2025

CHICKASHA

November 17, 2025

Office of the City Clerk

The **REGULAR** meeting of the **CHICKASHA MUNICIPAL AUTHORITY** was held in the council chambers in city hall on the 17th day of November 2025 as specified by advance public notice with a properly prepared agenda stating the subject matter or matters to be discussed at said meeting. Chairman Grayson called the meeting to order at 6:58 p.m.

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

CHAIRMAN AND TRUSTEES

PRESENT: Zachary Grayson, Chairman
Georgianne Hebblethwaite, Vice Chairman
Lisa Hatchett
Kim Irving
Kea Ginn
John Smith
Erica Alexander
Charlie Burruss
Clark Southard

ABSENT: None.

STAFF

PRESENT: Jim Crosby, City Manager
Amanda Mullins, City Attorney
Susan M. McDaniel, City Clerk
G. G. Music, Police Chief
Lillie Huckaby, Library Director
Rich Edwards, Finance Direct
Omar Fierro, Public Works Director
Jessica Green, Community Development Director
Spencer Winzenried, Parks & Recreation Director
Tracey Austin, HR Director
Shae Mortimer, Marketing and Civic Engagement Manager

ITEM 2. **Consent Docket: ITEM 2a – ITEM 2c.**

ITEM 2a. **Acceptance of the Minutes of November 3, 2025, regular meeting.**

ITEM 2b. **Acceptance of the Claims List.**

ITEM 2c. **Acceptance of the Financials for October 2025.**

***Motion by Trustee Alexander, second by Trustee Hatchett to approve Items 2a – 2c.**

City of Chickasha

117 North 4th Street, Chickasha, OK 73018 • (405) 222-6001 • Susan.McDaniel@chickasha.org

The City of Chickasha is an equal opportunity employer and provider. For TDD/TTY assistance, please dial 711.

Roll call vote:

Ayes:” Hatchett, Irving, Ginn, Hebblethwaite, Alexander, Smith, Burruss,
Southard, and Grayson.

“Nays:” None.

“Abstain:” None.

Motion carried. 9-0

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

No Action Taken.

ITEM 4 **Motion to Adjourn.**

*Motion by Trustee Hebblethwaite, second by Trustee Alexander to adjourn.

Meeting adjourned.

TIME: 6:59 p.m.

Approved this 1st day of December 2025.

Zachary Grayson, Chairman

Susan M. McDaniel, CMC – City Clerk

(ATTEST)

CHICKASHA

Meeting Type: CMA Agenda 12-1-2025

Meeting Date: 12/1/2025

Department: Finance

Agenda Item No. 2.b.

AGENDA ITEM: Acceptance of the Claims List.

I. BACKGROUND/DESCRIPTION:

II. RECOMMENDED ACTION:

Acceptance of the Claims List.

III. FISCAL INFORMATION -

IV. FUND INFORMATION:

Dept. Director:

Rich Edwards, Finance Director

Meeting Date:

December 1, 2025

Fund	Account	Amount
(To)		
FUND	ACCOUNT	AMOUNT
(From)		

V. ATTACHMENTS:

CHICKASHA

Meeting Type: CMA Agenda 12-1-2025

Meeting Date: 12/1/2025

Department: City Clerk

Agenda Item No. 2.c.

AGENDA ITEM: Authorize Staff to solicit bids for CMA-2504 - HVAC Maintenance Agreement.

I. BACKGROUND/DESCRIPTION:

II. RECOMMENDED ACTION:

Authorize Staff to solicit bids for CMA-2504 - HVAC Maintenance Agreement.

III. FISCAL INFORMATION -

IV. FUND INFORMATION:

Dept. Director: Jim Crosby, City Manager	Fund	Account	Amount
	(To)		
Meeting Date: December 1, 2025	FUND	ACCOUNT	AMOUNT
	(From)		

V. ATTACHMENTS:

1. CMA-2504 HVAC Bid Specs

Request for Proposal CMA – 2504
HVAC Maintenance Agreement

Advertise Date: Thursday, December 11, 2025

Advertise Date: Thursday, December 18, 2025

The City of Chickasha/Chickasha Municipal Authority, Oklahoma, is accepting sealed proposals for an annual HVAC Service Contract for city and trust authority equipment.

Bids shall be made in accordance with this invitation for Bids and the Bidding Documents.

Sealed proposals shall be addressed to Susan McDaniel, City Clerk, City of Chickasha, 117 North 4th Street, Chickasha, Oklahoma 73018. Bids shall be labeled “CMA - 2504, DO NOT OPEN” and “HVAC Maintenance Agreement.” Proposals shall be submitted no later than 1:30 p.m., local time on Friday, January 16, 2026. It is the sole responsibility of the proponent to ensure that his proposal is actually in the City Hall of the City of Chickasha prior to the expiration of the time and date stated above. Bids will be opened at 1:30 on Friday, January 16, 2026, in the City Conference Room located on the second floor of City Hall, 117 North 4th Street, Chickasha, Oklahoma 73018.

A mandatory pre-bid meeting to inspect existing equipment will be held on Tuesday, January 6, 2026, at 10:00 at Chickasha City Hall, 117 N 4th Street in the second-floor conference room.

The issuing office for the bidding documents is: City of Chickasha. Technical questions should be emailed to Jim Crosby, City Manager, at jim.crosby@chickasha.org. Bidding Documents may also be examined in person at the office of the City Clerk located on the second floor in Chickasha City Hall, or at the City of Chickasha website: www.chickasha.org.

Upon consideration of the proposal, the City of Chickasha/Chickasha Municipal Authority reserved the right to accept or reject any and all proposals, to waive technicalities, and to make any investigation deemed necessary concerning the proponent’s ability to provide the services as covered by the specifications, and to accept what in their judgement is the most advantageous proposal.

Jim Crosby, City Manager

CERTIFICATION

I certify that the above “Request for Proposal” was posted on the bulletin board of City Hall, City of Chickasha, Oklahoma, on the 2nd day of December 2025.

Susan M. McDaniel, City Clerk

Bid Specifications for HVAC Maintenance Agreement

GENERAL PROVISIONS

1. Definitions

- A. "City" refers to the City of Chickasha Department of Public Works.
- B. "Acquisitions" means items, products, materials, supplies, services, and equipment the City acquires by purchase, lease purchase, or rental.
- C. "Bid" means an offer in the form of a bid, proposal, or quote submitted by the bidder in response to a solicitation.
- D. "Bidder" means an individual or business entity that submits a bid in response to a solicitation.
- E. "Solicitation" means a request or invitation by the City for a supplier to submit a priced offer to sell acquisitions to the City. This may be an invitation to bid, request for proposal, or request for quotation.
- F. "Supplier" or "Vendor" means an individual or business entity that sells or desires to sell acquisitions to the city.

2. Submission

Sealed Bids will be received by the City of Chickasha for furnishing equipment, materials, and supplies and incidental items necessary to perform the work as outlined in these specifications. Copies of all bid documents are available for inspection at Chickasha City Hall, Office of the City Clerk, 117 North 4th Street, Chickasha, Oklahoma, or online at www.chickasha.org. Bids are to be submitted to the City of Chickasha, 117 North 4th Street Chickasha, Ok 73018, no later than the date and time indicated on the Bid Form. Submissions of a Bid shall constitute an agreement on the part of the Bidder to all terms and conditions contained therein.

Bids received by the City after the response due date and time shall be deemed non-responsive and shall NOT be considered for any resultant award.

Bid numbers and project descriptions must be clearly identified on the lower left corner of the submission packet.

3. Insurance

Bidders are responsible for acquisition and upkeep of their own insurance and bond policies for property damage, liability, and workman's compensation. The policies of insurance shall be executed by insurance or indemnity carrier authorized to do business in the State of Oklahoma and shall in all respects conform to the requirement of Governmental Tort Claims Act, Title 51 O.S. § 151 et seq. With liability limits to be no less than the amount specified therein and with the City of Chickasha to be additional insured on all such required policies of insurance.

Bid Specifications for HVAC Maintenance Agreement

The successful Bidder will be required to execute the agreement and provide all necessary insurance within ten (10) calendar days from the date the Notice of Award is delivered to the Bidder.

PURPOSE AND SCOPE

The purpose of this document is to provide minimum specifications for an agreement to provide planned service and preventative maintenance for City and Trust Authority owned mechanical equipment.

It is the intent of these specifications to describe the minimum requirements for such service. All materials and work are expected to be to professional standards in quality and workmanship.

Bids are solicited pursuant to the Public Competitive Bidding Act of 1974 as amended Title 61, O.S. 1981, § 101-136 et seq.

There will be a mandatory pre-bid conference for bidders to view and inventory existing equipment.

Bidders shall provide three commercial customer references.

The purchaser reserves the right to reject any and all bids, waive all irregularities or technicalities without assigning reason therefore, and make awards in the best interest of the purchaser.

No Bidder may withdraw their bid within forty-five (45) dater the actual date of opening thereof.

1. Facilities to be Serviced

- | | |
|-----------------------------|------------------------------------|
| • City Hall | 117 North 4 th Street |
| • Public Library | 527 West Iowa Avenue |
| • Police Department | 2001 West Iowa Avenue |
| • Disabled Veterans | 101 North 6 th Street |
| • Rock Island Depot. | 100 East Chickasha Avenue |
| • Airport | 2252 Beechcraft Road |
| • Water Plant | 500 East Delaware Avenue |
| • Water Treatment Plant | |
| • Fire Station #1 | 700 Harley Day Street |
| • Fire Station #2 | 1528 West Country Club |
| • Sports Complex | 500 East Grand Avenue |
| • Shannon Springs Bathhouse | |
| • Public Works Department | 502 North Genevieve Street |
| • Animal Shelter | 203 North Genevieve Streets |
| • YMCA | 725 West Chickasha Avenue |
| • Country Club | 2900 South 16 th Street |

Bid Specifications for HVAC Maintenance Agreement

2. Scope of Services

A. The following services are to be provided twice per year.

Air Conditioning/Heat Pump – Biannual Inspection

1. Review manufacturer's recommendation for start-up
2. Remove all debris from within and around unit
3. Visually inspect for leaks
4. Check and clean condenser coils
5. Check capacitors
6. Inspect electrical connections, contacts, relays, and operating/safety controls
7. Check motor operating conditions
8. Check fan blades and clean as required
9. Check crank case heater
10. Check reversing valve for proper operation
11. Check and test system amp draw, high and low voltage circuits
12. Check refrigerant and adjust as needed

Central Fan Systems – Biannual Inspection

1. Check and clean fan assembly
2. Lubricate fan bearings per manufacturer's recommendations
3. Inspect flue and diverter
4. Clean pilot assembly
5. Tighten all nuts and bolts per manufacturer's torque specifications
6. Check burners and clean if necessary
7. Check motor operating conditions
8. Check manifold gas pressure
9. Check gas valve operation
10. Check for gas leaks
11. Check thermostat batteries, operation, and program
12. Check all safety devices for proper operation
13. Check fan control
14. Inspect heat exchanger
15. Check air filter and clean/replace if necessary
16. Check furnace wiring
17. Check air temperature difference between supply and return air
18. Inspect for interior cabinet contamination, mold, or mildew buildup
19. Clean and sanitize evaporator coil (in place) for mold and mildew prevention if necessary
20. Check all supply vents for proper air circulation
21. Test heating elements for proper operation
22. Inspect all electrical connections for proper contact, amperage, and voltage
23. Check fan operation
24. Check and clean drains and drain pans

Bid Specifications for HVAC Maintenance Agreement

Other

1. Service and check all exhaust fans and verify operation.
 2. Service and check all gas and electric unit heaters for proper operations.
 3. Service and check all radiant tube heaters for proper operation.
- B. Comprehensive plan should include all HVAC related repairs, parts, and labor. If a first billable service is required prior to contract engagement, this is to be clearly stated in the bid submittal.
- C. Heat exchangers, compressors, and R-22 systems that may develop refrigerant related leaks may be excluded from parts and labor plans. Exclusions must be clearly stated in bid submittals and must allow for an option for review and repair.
- D. Any other service exclusions must be clearly stated in bid submittals.

PRE-BID MEETING

A mandatory pre-bid meeting to inspect existing equipment will be held on Tuesday, January 6, 2026, at 10:00 at Chickasha City Hall, 117 N 4th Street in the second-floor conference room.

BID OPENING

Sealed bids shall be opened by the City Clerk at Chickasha City Hall, 117 N 4th street, Chickasha, Oklahoma, in the second-floor conference room. This will take place at 1:30 on Friday, January 16, 2026.

CHICKASHA

Meeting Type: CMA Agenda 12-1-2025

Meeting Date: 12/1/2025

Department: Finance

Agenda Item No. 2.d.

AGENDA ITEM: Approve the Authorized Representative Certificate for the OWRB State Loan Program Revenue Bond and authorize the Chairman to execute the same.

I. BACKGROUND/DESCRIPTION:

This action formally authorizes the Mayor to execute the certificate designating specific City officials who are permitted to submit draw requests under the CMA’s OWRB Water Treatment Plant Bond. The designated representatives are the Finance Director, the Comptroller, and the City Clerk.

II. RECOMMENDED ACTION:

Approve the Authorized Representative Certificate for the OWRB State Loan Program Revenue Bond and authorize the Chairman to execute the same.

III. FISCAL INFORMATION -

IV. FUND INFORMATION:

Dept. Director: Rich Edwards, Finance Director	Fund	Account	Amount
	(To)		
Meeting Date: December 1, 2025	FUND	ACCOUNT	AMOUNT
	(From)		

V. ATTACHMENTS:

1. OWRB Certificate



OKLAHOMA Water Resources Board

AUTHORIZED REPRESENTATIVES CERTIFICATE

Re: \$67,660,000.00 Chickasha Municipal Authority, Grady County, Oklahoma Water Resources Board State Loan Program Revenue Bonds, Series 2023 Promissory Note to Oklahoma Water Resources Board (the "Loan")


We, the undersigned, the duly qualified and Chairman and Secretary of the Board of Directors of Chickasha Municipal Authority, (the "Borrower"), hereby certify and affirm as follows:

1. As of the date hereof, the following persons are authorized to execute requisitions for Loan funds on behalf of the Borrower, and the following signatures are the true and genuine signatures of said persons:

Printed Name: Rich Edwards Printed Title: Finance Director

Signature: 

Printed Name: Crystal Santos Printed Title: Comptroller

Signature: 

Printed Name: Susan M. McDaniel Printed Title: City Clerk / Secretary

Signature: 

Printed Name: _____ Printed Title: _____

Signature: _____

2. The Oklahoma Water Resources Board ("Board") may treat any requisition for Loan funds bearing any of the signatures of the persons identified above as a duly authorized requisition on behalf of the Borrower, until notified otherwise in writing by the Borrower.

3. At any time that any of the above identified persons cease to be authorized to execute requisitions on behalf of the Borrower, or at any time any other person or persons become so authorized, the Borrower shall notify the Board accordingly. Whenever other persons become so authorized, the Borrower shall file with the Board, in a monthly operating statement or such other writing as the Board may accept, the true and genuine signatures and titles of such persons.

Terms used herein shall have the same meaning as set forth in the Loan Agreement for the Oklahoma Water Resources Board State Loan Program Revenue Bonds, Series 2023B loan between the Board and the Borrower dated as of August 1, 2023.

WITNESS our hands and the seal of the Borrower this _____ day of _____, 20__.

CHICKASHA MUNICIPAL AUTHORITY
GRADY COUNTY, OKLAHOMA

Chairman

ATTEST:

Secretary

(SEAL)

CHICKASHA

Meeting Type: CMA Agenda 12-1-2025

Meeting Date: 12/1/2025

Department: Administration

Agenda Item No. 4.a.

AGENDA ITEM: Discussion, consideration and possible action to approve an oil and gas lease with Hermitage Holdings, LLC following a public auction pursuant to Title 64 Sections 1081 and 1082 for the following described property:

Section 28, Township 7 North, Range 7 West:

The West 6.5' of Lot 10, Block 28, Chickasha OT Addition, containing 0.0321 net mineral acres, more or less; together with all roads, alleyways, easements, and rights-of-ways appurtenant thereto, as shown on the official recorded plat thereof.

Located in Grady County, Oklahoma

I. BACKGROUND/DESCRIPTION:

II. RECOMMENDED ACTION:

Approve an oil and gas lease with Hermitage Holdings, LLC.

III. FISCAL INFORMATION -

IV. FUND INFORMATION:

Dept. Director:	Fund	Account	Amount
	(To)		
	FUND	ACCOUNT	AMOUNT
Meeting Date: December 1, 2025	(From)		

V. ATTACHMENTS:

- Chickasha Municipal Authority OGL 28 7N 7W - Revised

OIL AND GAS LEASE

(Paid-up)

AGREEMENT, made and entered into this 1st day of December, 2025, by and between the City Municipal Authority, a Public Trust Authority of the State of Oklahoma, 117 N. 4th Street, Chickasha, OK 73018, party of the first part, hereinafter called Lessor (whether one or more), and HERMITAGE HOLDINGS, LLC, with a mailing address of P.O. Box 926, Chickasha, OK 73023-0926, party of the second part, hereinafter called Lessee.

WITNESSETH, that the said Lessor, for and in consideration of Ten Dollars, cash in hand paid, and other good and valuable consideration, the receipt of which is hereby acknowledged and of the covenants and agreements hereinafter contained on the part of Lessee to be paid, kept and performed, has granted, demised, leased and let and by these presents does grant, demise, lease and let unto the said Lessee, for the sole and only purpose of exploring by geophysical and other methods, mining and operating for oil (including but not limited to distillate and condensate), gas (including casinghead gas and helium and all other constituents), and for laying pipelines, and building tanks, power stations and structures thereon, to produce, save and take care of said products, all that certain tract of land, together with any reversionary rights therein, situated in the County of Grady, State of Oklahoma, described as follows, to-wit:

Section 28, Township 7 North, Range 7 West:

The West 6.5' of Lot 10, Block 28, Chickasha OT Addition, containing 0.0321 net mineral acres, more or less; together with all roads, alleyways, easements, and rights-of-ways appurtenant thereto, as shown on the official recorded plat thereof.

1. It is agreed that this lease shall remain in force for a term of three (3) years from date (herein called primary term) and so long thereafter as oil or gas, or either of them, is produced from said land by the Lessee.
2. In consideration of the premises the said Lessee covenants and agrees:
 - A. To deliver to the credit of Lessor free of cost, in the pipeline to which it may connect its wells, a one-fifth (1/5) part of all oil and gas (including but not limited to condensate and distillate) produced and saved from the leased premises.
 - B. During any period (whether before or after expiration of the primary term hereof) when gas is not being so sold or used and the well or wells are shut in and there is no current production of oil or operations on said leased premises sufficient to keep this lease in force, Lessee shall pay or tender a royalty of One Dollar (\$1.00) per year per net royalty acre retained hereunder, such payment or tender to be made, on or before the later of ninety (90) days following the date of shut in or the anniversary date of this lease during the period such well is shut in, to the

Lessor. When such payment or tender is made it will be considered that gas is being produced within the meaning of the entire lease.

3. If, at the expiration of the primary term, there is no production in paying quantities on the leased land or on lands pooled therewith but Lessee is conducting operations for drilling, completing or reworking a well, this lease nevertheless shall continue as long as such operations are prosecuted or additional operations are commenced and prosecuted (whether on the same or successive wells) with no cessation of more than ninety (90) days, and if production is discovered, this lease shall continue as long thereafter as oil or gas are produced. In addition, if at any time or times after the primary term, there is a total cessation of all production, for any cause (other than an event of force majeure), this lease shall not terminate if Lessee commences or resumes any drilling or reworking operations or production within ninety (90) days after such cessation. For purposes of extending this Lease beyond the primary term, 'operations' shall mean actual on-site drilling or reworking activities conducted with a drilling rig capable of reaching total depth. Preparatory activities, including but not limited to staking, surveying, grading, constructing roads or locations, mobilizing materials or equipment, or placing any item or structure on the premises shall not constitute operations for purposes of maintaining this Lease in force

4. Lessee is hereby granted the right at any time and from time to time to unitize the leased premises or any portion or portions thereof, as to all strata or any stratum or strata, with any other lands as to all strata or any stratum or strata, for the production primarily of oil or primarily of gas with or without distillate. However, no unit for the production primarily of oil shall embrace more than 160 acres, or for the production primarily of gas with or without distillate more than 640 acres; provided that if any governmental regulation shall permit or prescribe a spacing pattern for the development of the field or allocate a producing allowable based on acreage per well, then any such unit may embrace as much additional acreage as may be so permitted or prescribed or as may be used in such allocation of allowable. Lessee shall file written unit designations in the county in which the leased premises are located unless the pooling or unitization results from governmental order or rule, in which case no such written designation shall be required. Operations upon and production from the unit shall be treated as if such operations were upon or such production were from the leased premises whether or not the well or wells are located thereon. The entire acreage within a unit shall be treated for all purposes as if it were covered by and included in this lease except that the royalty on production from the unit shall be as below provided, and except that in calculating the amount of any shut in gas royalties, only the part of the acreage originally leased and then actually embraced by this lease shall be counted. In respect to production from the unit, Lessee shall pay Lessor, in lieu of other royalties thereon, only such proportion of the royalties stipulated herein as the amount of his acreage placed in the unit, or his royalty interest therein on an acreage basis bears to the total acreage in the unit.

5. If said Lessor owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties herein provided shall be paid to the Lessor only in the proportion which his interest bears to the whole and undivided fee.

6. Lessee shall have the right to use, free of cost, gas, oil, and produced on said land for its operations thereon, except water from the leased premises.
7. Lessee shall have the right at any time to remove all machinery and fixtures placed on said premises, including the right to draw and remove casing.
8. If the estate of either party hereto is assigned, and the privilege of assigning in whole or in part is expressly allowed, the covenants hereof shall extend to their heirs, executors, administrators, successors or assigns. However, no change or division in ownership of the land or royalties shall enlarge the obligations or diminish the rights of Lessee. No change in the ownership of the land or royalties shall be binding on the Lessee until after the Lessee has been furnished with a written transfer or assignment or a true copy thereof. In case Lessee assigns this lease, in whole or in part, lessee shall be relieved of all obligations with respect to the assigned portion or portions arising subsequent to the date of assignment.
9. All express or implied covenants of this lease shall be subject to all Federal and State Laws, Executive Orders, Rules and Regulations, and this lease shall not be terminated, in whole or in part, nor Lessee held liable in damages, for failure to comply therewith, if compliance is prevented by, or such failure is the result of any such Law, Order, Rule or Regulation, or operation of force majeure.
10. This lease shall be effective as to Lessor on execution hereof and shall be binding on those signing, notwithstanding some of the Lessors above named may not join in the execution hereof. The word "Lessor" as used in this lease means the party or parties who execute this lease as Lessor, although not named above.
11. Lessor does not guarantee or warrant title to the above described properties. In the event of failure of title, Lessor shall not be required to refund any bonuses, royalties, shut-in payments or other considerations paid to lessors.
12. Lessee may at any time and from time to time surrender this lease as to any part or parts of the leased premises by delivering or mailing a release thereof to lessor, or by placing a release of record in the proper County.
13. Lessee shall pay for all damages to land and crops caused by its operations. No well shall be drilled nearer than 200 feet to any house or barn now on said premises, without the written consent of the Lessor.
14. The Lessee's failure to comply with any covenant or obligation of this lease shall not result in the forfeiture of the lease unless and until lessor has provided lessee notice of such default and gives Lessee sixty (60) days in which to cure such default.
15. Before commencing any operations on lands where Lessor is the owner of the surface Lessee shall obtain from Lessor, by written agreement, permission to use that certain portion of said lands set out in the written agreement for drill site and to conduct mining and drilling operations or the production, storage, or removal of minerals therefrom.

16. This Lease is subject to and fully includes each and every provision as provided on Exhibit "A" attached hereto and made a part hereof.

IN TESTIMONY WHEREOF, we sign this 1st day of December, 2025.

ATTEST:

Chickasha Municipal Authority
a Public Trust Authority of the State of Oklahoma

Susan M. McDaniel, CITY CLERK

By: _____
Zachary Grayson, MAYOR

ACKNOWLEDGMENT

STATE OF OKLAHOMA)
COUNTY OF GRADY) SS:

Before me, in and for said county and State, on this 1st day of December, 2025, personally appeared Zachary Grayson, to me known to be the identical person who subscribed the name of the maker thereof to the foregoing instrument as the Mayor of the City of Chickasha, and acknowledged before me that he executed the same as his free and voluntary act and deed, and as the free and voluntary act and deed of such municipal corporation, for the uses and purposes therein set forth.

My Commission Expires: _____

Notary Public

Commission No.: _____

LESSEE: HERMITAGE HOLDINGS, LLC

By: J.E. Epperson II, Manager

ACKNOWLEDGMENT

STATE OF OKLAHOMA)
COUNTY OF GRADY) SS:

Before me, in and for said county and State, on this _____ day of November, 2025, personally appeared J.E. Epperson II, to me known to be the identical person who subscribed the name of the maker thereof to the foregoing instrument as the Manager of Hermitage Holdings, LLC, and acknowledged before me that he executed the same as his free and voluntary act and deed, and as the free and voluntary act and deed of Hermitage Holdings, LLC, for the uses and purposes therein set forth and that he has the legal authority to bind Hermitage Holdings, LLC.

My Commission Expires: _____

Notary Public

Commission No.: _____

EXHIBIT "A"

Attached to and made a part of that certain Oil and Gas Lease dated the 1st day of December, 2025, between the Chickasha Municipal Authority, a Public Trust Authority, of the State of Oklahoma, as Lessor and HERMITAGE HOLDINGS, LLC, with a mailing address of P.O. Box 926, Chickasha, OK 73023-0926, as Lessee. Said addendum and additional provisions relate to the following tract(s) of property:

Section 28, Township 7 North, Range 7 West:

The West 6.5' of Lot 10, Block 28, Chickasha OT Addition, containing 0.0321 net mineral acres, more or less

- 1) Notwithstanding anything herein above to the contrary, it is expressly provided that the provisions of the following paragraphs shall prevail in the event of the conflict with any provisions in the preceding printed form Oil and Gas Lease.
- 2) Notwithstanding anything to the contrary contained herein, upon expiration of the primary term of this lease, this lease shall automatically terminate and expire as to all leasehold rights below 100 feet below the stratigraphic equivalent of the deepest common source of supply penetrated in any well, spud after the date of this lease, on lands covered by this lease or on lands with which lands covered by this lease are spaced by order of the Oklahoma Corporation Commission or voluntarily unitized therewith. Provided, however, if within the primary term of this lease, lessee should commence operations to drill, deepen, or rework a well under the terms of this lease, the lessee shall have the right to drill such well to completion and/or continue deepening and/or complete reworking operations with reasonable diligence and dispatch, and if oil and gas be found in paying quantities, this lease shall terminate only to the depth provided in this clause.
- 3) Notwithstanding anything to the contrary contained herein, it is expressly agreed that the completion of a well capable of production in paying quantities on a drilling and spacing unit(s), established by any governmental authority or agency shall extend beyond the primary terms only that portion of the leased premises contained within said drilling and spacing unit(s), and that, subject to the provisions of this paragraph, the portion of the leased premises outside the said drilling and spacing unit(s) shall be released at the expiration of the primary term. Provided, however, that if within the primary term of this Lease, Lessee shall commence operations to drill or rework a well under the terms of this Lease, the Lessee shall have the right to drill such a well to completion and/or complete reworking operations with

reasonable diligence and dispatch, and if oil or gas be found in paying quantities, this Lease shall terminate only to those lands lying outside of said drilling and spacing units(s). If a "unit" has not been established by any state regulatory agency of the State of Oklahoma, or under the pooling clause of this lease, "unit" shall be deemed for all purposes to comprise the governmental quarter/quarter/quarter section (10 Acres) upon which the borehole of any well drilled pursuant to this lease is actually located.

4) There shall be no salt water disposal on the above-described real property.

5) Lessee shall indemnify and hold Lessor harmless from any and all liability, liens, demands, judgments, suits, and claims of any kind or character arising out of, in connection with, or relating to Lessee's operations under the terms of this Lease, including, but not limited to, claims for injury to or death of any persons, or damage, loss or destruction of any property, real or personal, under any theory of tort, contract, or strict liability. Lessee's obligations under this paragraph shall survive termination, release or expiration of the Lease.

6) Lessee shall, at its sole cost and expense, promptly remediate, clean up, and restore any soil, surface, subsurface, groundwater, vegetation, or improvements that are impacted, contaminated, or damaged as a result of Lessee's operations under this Lease. Such remediation shall be conducted in compliance with all applicable federal, state, and local laws, rules, and regulations, and to the satisfaction of the Lessor. Lessee's obligations under this paragraph shall survive termination, release or expiration of the Lease, and shall not be limited by the Oklahoma Surface Damages Act or any monetary compensation paid thereunder.

7) Notwithstanding anything to the contrary contained herein, after the expiration of the primary term of this lease, shut-in royalty payments shall be restricted to maintain this lease in force for a maximum of two (2) years for each shut-in period. Notwithstanding the foregoing, in no event shall cumulative shut-in royalty payments, whether from one or multiple shut-in periods, maintain this Lease for more than three (3) years total.

8) The use of the above described property by Lessee is limited only to producing wells physically located on said premises. Tank batteries and other applicable equipment shall not be located hereon, except for wells actually located on the leased premises. Pipelines and roads across the leased premises are limited to those wells located on the leased premises and only after payment of damages as determined by the parties.

9) Notwithstanding anything herein to the contrary, Lessee shall pay royalty on the fair market value received at the point of sale, with an arms length transaction, without any post production expenses or costs being prorated back to Lessor. Such post production expenses/costs are to include, but are not limited to, the cost of producing, gathering, storing, separating, treating, dehydrating, compressing, processing, manufacturing, transporting, and marketing the oil and/or

gas produced hereunder whether the point of sale is at or off the leased premises. Such royalty is to include all oil, gas; including all its constituents and any other by-products produced and saved from the leased premises.

10) It is specifically understood by Lessee that any operations of the Leased Premises by the Lessee shall be in accordance with the laws and statutes of the State of Oklahoma and the Ordinances of the City of Chickasha, the rules and regulations of any other state or Federal regulatory agency. It is further understood that if the Leased Premises are a part of the municipal airport of the City of Chickasha, then the rules and regulations of the Federal Aviation Administration and the Ordinances of the City of Chickasha shall govern the location of the drill site, and any drilling operations thereon.

11) Lessee agrees that substantiation and validation of this lease is at the sole discretion and obligation of the Lessee and if lease is rendered invalid for any reason, save typographical error, including names or descriptions, Lessor shall not be required to refund any rents, royalties, bonuses, shut-in payments or other considerations paid.

12) Surface damages arising from Lessee's operations shall be negotiated separately from this Lease. If the parties cannot agree upon an amount of surface damages, Lessee shall take such action as is necessary pursuant to the Oklahoma Surface Damages Act, 52 O.S. § 318.2 et seq.

Lessee's obligation to compensate Lessor for surface damages under this paragraph shall not relieve Lessee of any liability to any lawful surface tenant for actual crop loss or interference with surface use caused by Lessee's operations.

13) It is expressly understood and agreed that the City of Chickasha makes no guarantee, representation, or warranty, express or implied, as to the validity, sufficiency, or marketability of its title to any of the properties described herein. The City of Chickasha further disclaims any warranty that the mineral interests covered by this Lease are unencumbered or unleased. In the event any title defect is discovered, or if the mineral interests are determined to be subject to a pre-existing lease, encumbrance, or other adverse claim, the Lessee shall not be entitled to any refund, reimbursement, or other compensation from the City of Chickasha for any consideration paid, including but not limited to bonuses, rentals, royalties, shut-in payments, damages, or other sums.

SIGNED FOR IDENTIFICATION:

LESSOR: Chickasha Municipal Authority
a Public Trust Authority of the State of Oklahoma

By: _____
Zachary Grayson, MAYOR

ATTEST:

Susan M. McDaniel, CITY CLERK

ACKNOWLEDGMENT

STATE OF OKLAHOMA)
COUNTY OF GRADY) SS:

Before me, in and for said county and State, on this 1st day of December, 2025, personally appeared Zachary Grayson, to me known to be the identical person who subscribed the name of the maker thereof to the foregoing instrument as the Mayor of the City of Chickasha, and acknowledged before me that he executed the same as his free and voluntary act and deed, and as the free and voluntary act and deed of such municipal corporation, for the uses and purposes therein set forth.

My Commission Expires: _____

Notary Public

Commission No.: _____

LESSEE: HERMITAGE HOLDINGS, LLC

By: J.E. Epperson II, Manager

ACKNOWLEDGMENT

STATE OF OKLAHOMA)
COUNTY OF GRADY) SS:

Before me, in and for said county and State, on this _____ day of November, 2025, personally appeared J.E. Epperson II, to me known to be the identical person who subscribed the name of the maker thereof to the foregoing instrument as the Manager of Hermitage Holdings, LLC, and acknowledged before me that he executed the same as his free and voluntary act and deed, and as the free and voluntary act and deed of Hermitage Holdings, LLC, for the uses and purposes therein set forth and that he has the legal authority to bind Hermitage Holdings, LLC.

My Commission Expires: _____

Notary Public

Commission No.: _____