

CHICKASHA MUNICIPAL AIRPORT 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
FEBRUARY 1, 2021

1. **Call to Order / Roll Call.**
2. **Consent Docket:**
 - a. Acceptance of the Minutes of the January 19, 2021 regular meeting.
 - b. Acceptance of the Claims List.
3. **Discussion/Approval of Items Removed from Consent Docket:**
4. **Consideration and Discussion Items:**
 - a. Discussion, consideration and possible action to approve a lease agreement with Aircraft Systems Inc for Hangar A3.
5. **Motion for Adjournment.**



City of
CHICKASHA

Meeting Type: CMAA Agenda 2-1-2021

Meeting Date: 2/1/2021

Department: City Clerk

Agenda Item No. 2.a.

AGENDA ITEM: Acceptance of the Minutes of the January 19, 2021 regular meeting.

I. BACKGROUND/DESCRIPTION:

II. RECOMMENDED ACTION:

Accept Minutes of the January 19, 2021 regular meeting.

III. FISCAL INFORMATION -

IV. FUND INFORMATION:

Dept. Director: Susan M. McDaniel, City Clerk	Fund	Account	Amount
	(To)		
	FUND	ACCOUNT	AMOUNT
Meeting Date: February 1, 2021	(From)		

V. ATTACHMENTS:

1. CMAA 1-19-2021

January 19, 2021

The **REGULAR** meeting of the **CHICKASHA MUNICIPAL AIRPORT AUTHORITY** was held in the council chambers in city hall on the 19th day of January 2021 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 7:09 p.m.

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

CHAIRMAN AND TRUSTEES

PRESENT: Chris Mosley, Chairman
Kimberly Loggins, Vice-Chairman
Jim Hopkins
Oscar Nelson
Brian Gerdes
Clark VanDyck
David Sikes

ABSENT: Zachary Grayson
R P. Ashanti-Alexander

STAFF

PRESENT: John Noblitt, City Manager
Amanda Mullins, City Attorney
Susan M. McDaniel, City Clerk
Chief Rowell, Police Chief
Tony Samaniego, Deputy. Fire Chief
Shae Mortimer, Marketing & Civic Engagement Manager

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

ITEM 2a. **Acceptance of the minutes for the January 4, 2021 regular meeting.**
ITEM 2b. **Acceptance of Claims List.**
ITEM 2c. **Acceptance of Financials for December 2020.**

***Motion by Trustee Sikes, second by Trustee Nelson to approve Item 2a thru Item 2c.**

Roll call vote:
Ayes:" Hopkins, Nelson, VanDyck, Loggins, Sikes, Gerdes and Mosley

TIME 7:09 P.M.

"Nays:"	None
"Abstain:"	None
Motion carried.	7-0

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

No action taken on Item 3.

ITEM 4. **Discussion and Consideration:**

No items were presented.

ITEM 5. **Motion to Adjourn**

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

Meeting adjourned.

TIME: 7:10 PM

Approved this 1st day of February 2021.

Chris Mosley, Chairman

(ATTEST)

Susan M. McDaniel, City Clerk



City of
CHICKASHA

Meeting Type: CMAA Agenda 2-1-2021

Meeting Date: 2/1/2021

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: Leasa Furr, Asst. City Manager	Fund	Account	Amount
	(To)		
	FUND	ACCOUNT	AMOUNT
Meeting Date: February 1, 2021	(From)		

V. ATTACHMENTS:



City of
CHICKASHA

Meeting Type: CMAA Agenda 2-1-2021

Meeting Date: 2/1/2021

Department: Administration

Agenda Item No. 4.a.

AGENDA ITEM: Discussion, consideration and possible action to approve a lease agreement with Aircraft Systems Inc for Hangar A3.

I. BACKGROUND/DESCRIPTION:

- Hangar A3 was previously occupied by Air Methods and is now available for lease.
- Staff was contacted by Aircraft Systems Inc. who expressed a desire to rent the space for new business for the City of Chickasha in the field of avionics installations, inspections, component fabrication and maintenance.
- Aircraft Systems Inc will begin occupying the hangar on February 2, 2021 with Council's approval of the lease.
- Staff estimates \$8,400.00 in revenue the first year of the lease and \$10,200.00 in revenue the second year.

II. RECOMMENDED ACTION:

Staff recommends the approval of and authorization to execute the lease for Hangar A3 with Aircraft Systems Inc.

Attachments:

Lease agreement for Hangar A3

Hangar Dimensions

Drawings for proposed bedroom conversion.

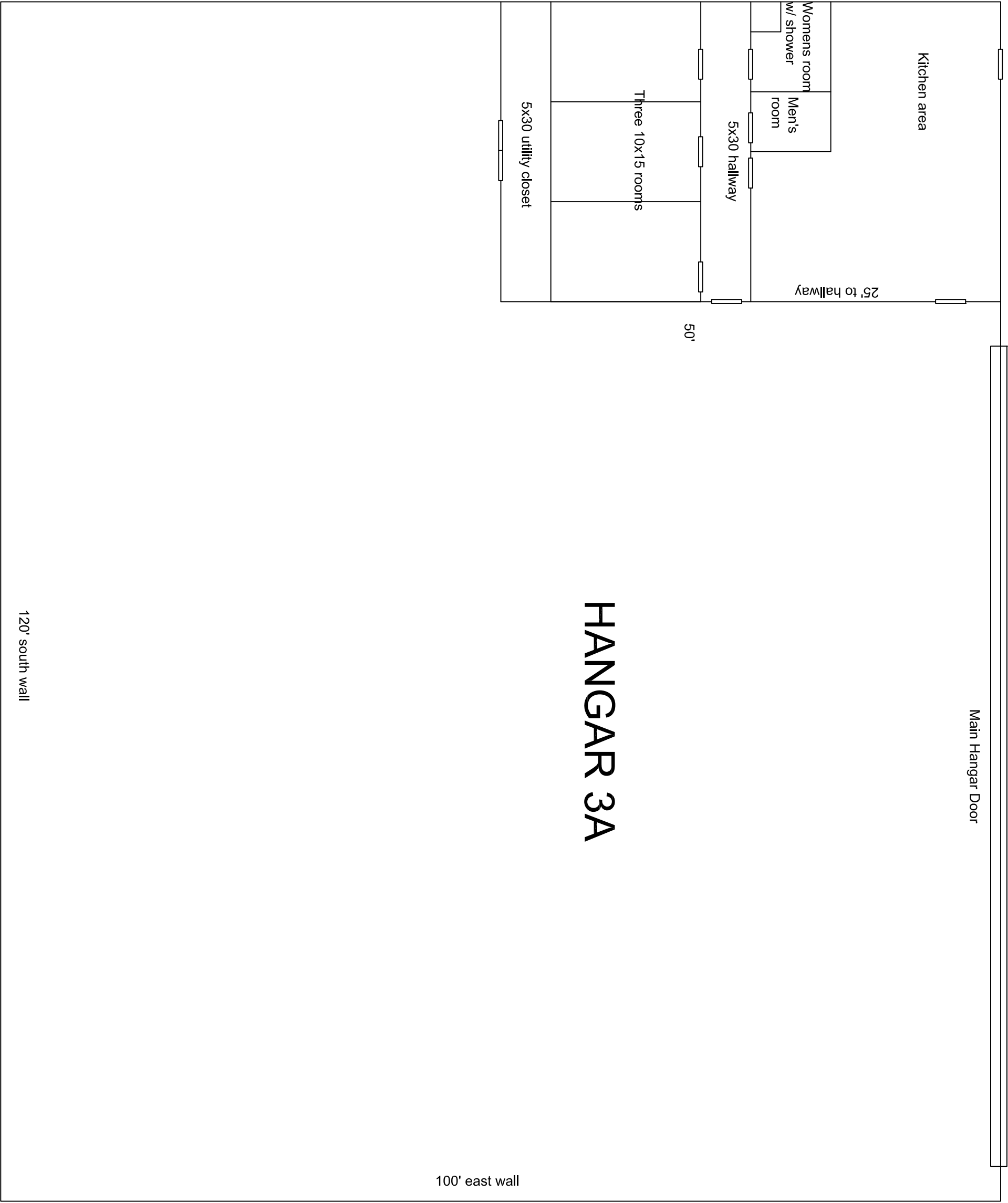
III. FISCAL INFORMATION -

IV. FUND INFORMATION:

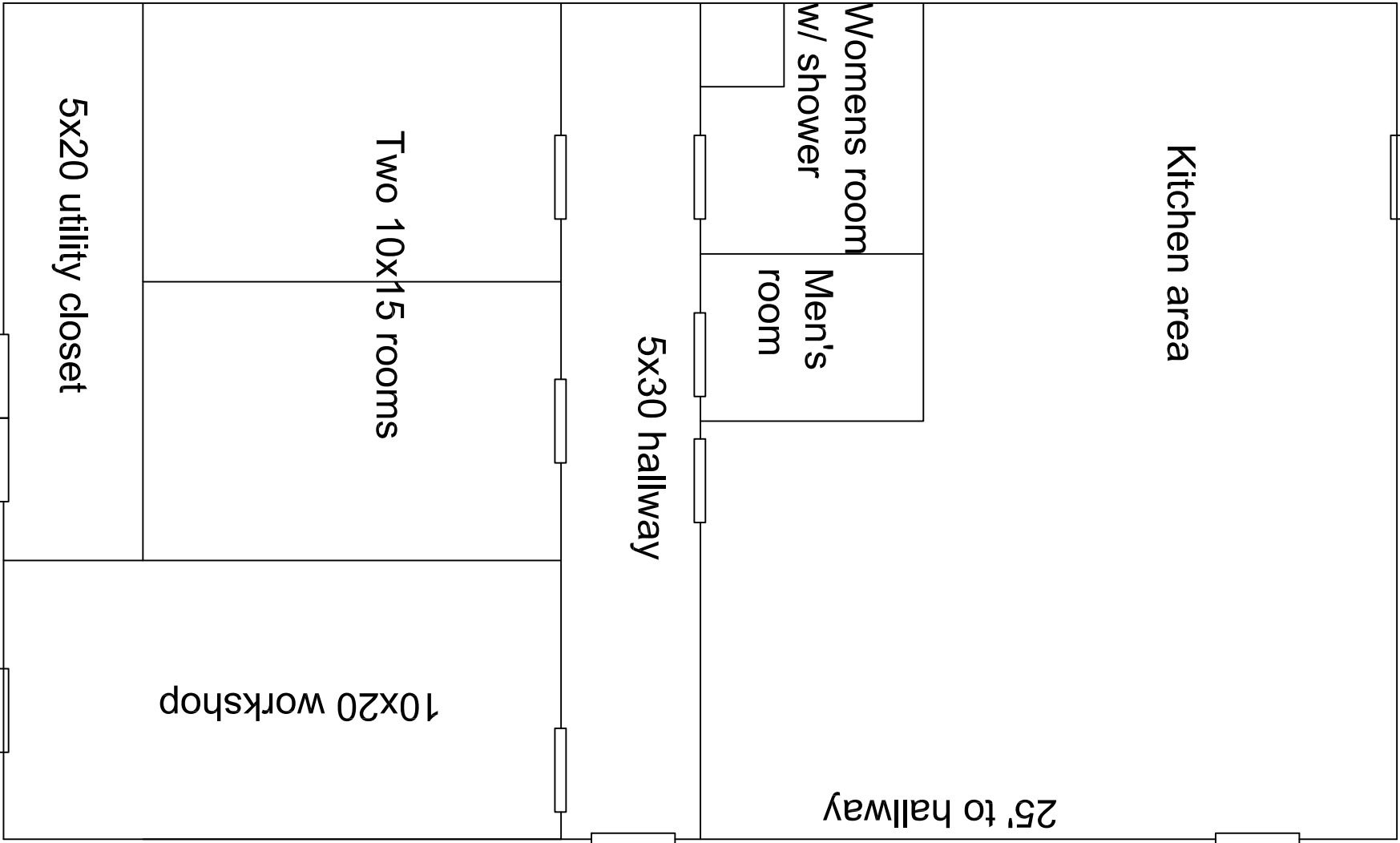
Dept. Director: Leasa Furr, Asst. City Manager	Fund	Account	Amount
	(To)		
	FUND	ACCOUNT	AMOUNT
Meeting Date: February 1, 2021	(From)		

V. ATTACHMENTS:

1. HANGAR 3A_Plan View Jan2021
2. Hangar 3A_proposed bedroom conversion to workshop
3. Hangar 3A Lease



30' wide



LEASE AND USE AGREEMENT

This agreement made this ____ day of _____, 2021, between the Chickasha Municipal Airport Authority (CMAA), hereinafter sometimes referred to as the "Landlord," and Aircraft Systems, Inc., hereinafter referred to as the "Tenant."

WITNESSETH:

WHEREAS, Landlord owns and operates the Chickasha Municipal Airport located in Chickasha, Grady County, Oklahoma, hereinafter called the "Airport" for the convenience and necessity of the aviation community in the Chickasha area, and

WHEREAS, the Landlord desires to encourage the development and use of aviation within the Chickasha area, and

WHEREAS, Landlord desires to enter a Community Aircraft Hangar Lease Agreement with Lessee for the purpose of operating an aircraft avionics and systems enterprise, and

WHEREAS, Landlord desires to lease and grant, and Tenant desires to lease and use, certain premises and facilities on the Airport, together with certain rights, licenses, and privileges thereon, and

NOW, THEREFORE, for and in consideration of the covenants and agreements herein contained, and other valuable consideration, Landlord does hereby demise and let unto Tenant, and Tenant does hereby lease and take from Landlord, for, certain premises and facilities, rights, licenses, services, and privileges on and about the Airport as follows, to-wit:

Administration and Policy Oversight.

Administration of this policy shall be vested with the Chickasha Municipal Airport Authority (CMAA).

A. Administration of the terms of this policy shall be established and enforced by the CMAA.

B. The CMAA reserves the right to amend this policy from time to time, at its sole discretion.

I. Term of Agreement.

The term of this Lease Agreement shall commence on the 2nd day of February, 2021 and shall run through midnight on the 2nd day of February, 2025 (four year-lease), unless otherwise terminated as hereinafter provided.

II. Leased Premises.

Hangar number 3A, located at the Chickasha Municipal Airport. Tenant shall lease a total of 10,500 square feet of open hangar space, and 1500 square feet of office space (for a total of 12,000 square feet) for Tenant's aircraft and associated aeronautical business requirements, if any. Appendix A of this agreement contains a map outlining the space.

A. Tenant shall be entitled to use the Leased Premises for all lawful aviation purposes related to the activities which Lessee is licensed to conduct under this Agreement. Tenant, its agents, representatives, invitees, guests and licensees shall have the right of ingress and egress to and from the Leased Premises in accordance with Rules and Regulations established by the Landlord. The CMAA reserves the right to close any means of ingress and egress, so long as other reasonable means of ingress and egress to the Leased Premises are available to the Tenant. Tenant shall insure that the hangar doors are closed and locked at all times, except during ingress and egress, after which the doors shall be immediately closed and locked.

B. Subject to the Federal Aviation Administration (FAA), Transportation Security Administration (TSA) and the Chickasha Municipal Airport Authority (CMAA) operational rules and regulations, minimum standards, security plans and other policies and procedures currently in effect or which may, from time to time, be implemented in the name of aviation safety and security, Tenant shall be entitled to use, on a non-exclusive basis, public areas of the Airport, to include runways, taxiways, aircraft parking aprons, lighting, navigational aids and other facilities and services necessary for the operation of aircraft.

C. Tenant shall not erect, maintain, or display signs of advertising or graphics at or on the exterior portions of the Leased Premises or hangar that are visible from outside of the Leased premises without the prior written approval of the Lessor.

III. Privileges and Rights.

Landlord hereby grants to the Tenant the following non-exclusive privileges, uses, and rights, all of which shall be subject to the terms, conditions, and covenants hereinafter set forth:

A. Tenant may utilize the Hangar for storing Tenant's privately owned or leased aircraft; Aircraft avionics installations, inspections, component fabrication and maintenance; and for such other aeronautical purposes that may be authorized in writing by Landlord and made an attachment to this Agreement.

Tenant shall not operate or conduct any non-aeronautical activity on the Premises. Tenant shall not use the Premises for residential purposes; and shall not use the Premises for any business or commercial activity, including without limitation, any commercial aeronautical activity without the prior written approval of the Landlord.

Commercial aeronautical activity means an activity using an aircraft or providing service to an aircraft (including building, maintaining, repairing, washing, cleaning, painting, managing, storing an aircraft) or a commercial business of buying or selling aircraft with the intent that such use, service, purchase or sale will generate and/or secure earnings, income, compensation (including exchange or barter of goods and services) and/or profit, whether such objectives are accomplished.

B. Tenant may sub-lease a portion of the Hangar to temporarily house aircrafts, not to exceed six (6) consecutive months and not for less than \$150.00 per month. Tenant may not sub-lease any portion of the Hangar for any other reason without the express written consent of the Landlord. Sub-lease does not include temporarily housing aircraft undergoing maintenance or inspection.

C. Tenant shall have access to vehicle parking, without charge, for employees, guests and customers in an area designated by Landlord. Vehicle movement inside the airport operations area (fenced area of the airport) shall be limited to the minimum area and route necessary to enter, exit and use the Leased Premises and conduct said business. Tenant acknowledges that vehicle movement, in areas other than those expressly authorized herein, on any area of the Airport is prohibited and may result in loss of gate access privileges.

D. Tenant shall have use of the taxi-lanes adjacent to the Hangar in common with all other aircraft operators. Tenant shall not leave aircraft unattended on the taxi-lane that would create an obstruction for other aircraft operators. For purposes of clarification, taxi-lanes provide access to aircraft parking ramps, taxiways and runways.

E. Tenant may self-fuel Tenant's privately owned or leased aircraft, using Tenant's own personnel and equipment, in areas designated by Landlord. Tenant shall not sell, give-away, barter nor dispense fuel to any other party. Tenant shall not fuel or de-fuel an aircraft in the Hangar. Tenant shall not store any fuel, other than in the tanks of an aircraft or other authorized aviation support equipment in the Hangar at any time.

F. If Tenant is engaged in the conduct of an aeronautical business for profit on the premises of the Leased area, Tenant shall provide the CMAA with records of all aviation fuel sold on monthly basis.

G. Tenant shall ensure that all Leased Premises and all of Tenant's fixtures, equipment and personal property which are located thereon are maintained in a neat, safe and sanitary condition and appearance. Tenant will be responsible for

the removal of all rubbish, trash or other waste material from within or around the Hangar.

H. Landlord will provide utility services to the Leased Premises. Tenant shall be responsible for payment of all charges for water, gas, electricity, sewer, and any other utilities on the Leased Premises throughout the terms of this agreement.

I. Right to Grant Easements: At any time, the Landlord and/or City of Chickasha have the right to grant easements or rights of way on or over the Premises for underground cables or conduits or both for telephone, electricity, water, sanitary or storm sewers, etc. Additionally, the Landlord and/or City of Chickasha shall have the right to determine if and when any seismograph work is to be done upon any part of said property. Landlord shall give at least ten (10) days notices to the Tenant prior to the seismograph work if known to the Landlord. All revenues generated from such seismograph work shall belong to the Landlord.

J. Oil and Gas Leases. The Landlord reserves the right to lease the Premises or any part thereof, for oil and gas, or mining purposes, at any time and grant to any mineral lessee the right of ingress and egress to and from said Premises for the purpose of carrying on mining or drilling operations.

K. Removal and Restoration by Tenant: All alterations and improvements, made by Tenant shall remain Tenant's property for the Lease Term and any Renewal Term thereafter. Except for items used primarily in the conduct of Tenant's business and commonly considered "trade fixtures," all alterations and improvements shall immediately upon the termination or expiration of this Lease become Landlord's property.

L. Landlord's Repairs and Maintenance: Landlord, at its' own cost and expense shall maintain, repair, and make replacements of the following: roof, foundation, concrete floors, exterior walls, windows exterior doors, electrical, and plumbing within and exclusively serving the premises. Landlord, at its own cost and expense, shall furnish grounds maintenance for the premises. Landlord's repairs are limited to damage not caused by Tenant or Tenant's agents, employees, and/or invitees' neglect or negligence.

IV. Rental Fees and Charges.

A. Hangar Rental Charge:

Tenant shall pay Landlord seven hundred U.S. dollars (\$700) per month for the first year (February 2, 2021 through February 2, 2022) in the Hangar's current "AS IS" condition. Landlord shall remove the flooring in the office area and restrooms, repair the sheetrock in the office area and replace damaged tiles in the office area. Landlord shall add an awning to the north entrance to prevent water ingress around the door. Tenant shall replace the flooring in the office

area and restrooms and paint both areas. The aforementioned repairs will be completed to the joint satisfaction of the Airport Manager and the Tenant. Tenant will remove all aircraft and personnel from Hangar #3A for a reasonable period of time to enable CMAA contractors or City Staff to complete the aforementioned improvements. Tenant shall have no claim against Landlord for damages of any nature. If Landlord fails to make the repairs, or if the repairs are not made to the satisfaction of Tenant, the Tenant's sole remedy shall be to pursue cancellation of the Contract under Paragraph XIX (2).

Following February 2, 2022, Tenant shall pay Landlord eight hundred and fifty U.S. dollars (\$850) per month in the Hangar's current "AS IS" condition. Hangar rental charges are due on the first (1st) day of the month and are considered delinquent after the tenth (10th) day of the month. A late fee of \$50 will be assessed for delinquent payments. Tenant has inspected the premises and has accepted the premises in its current "AS IS" condition.

V. Payments.

A. All rental fees and charges are due and payable monthly to the Chickasha Municipal Airport Authority (CMAA) on the first (1st) day of the month following occupancy by the Tenant. Lease payments will be considered delinquent if received after the tenth (10th) day of the month. A late charge in the amount of Fifty U.S. dollars (\$50.00), or the maximum permitted under Oklahoma law, of any outstanding monthly payment due shall be assessed on any payment not received on or before the tenth (10th) day of the month following occupancy.

B. All Rent payment shall be paid sent by check to the following address: 117 N. 4th Street, Chickasha, OK 73018. In the event that the Effective Date falls on a day other than the 1st of the month, the Rent due for the first month, payable on the Effective Date, shall be pro-rated. The Parties represent that in entering into this Lease, they have bargained at arm's length, that the amounts paid as Rent by the Tenant to the Landlord are fair market value taking into account the geographic location and facts and circumstances of the market in this area.

VI. Inspection by Landlord.

A. Landlord may enter the Leased Premises at any reasonable time, for any purpose necessary, incidental to, or connected with, the performance of its obligations or those of Tenant hereunder, or in the exercise of its governmental functions as it relates to public health, safety, and the general welfare of the public, the Chickasha Municipal Airport, and the proper conduct of operations thereon. Landlord will give prior notice at least 24 hours before inspecting premises.

- B. Alterations. Tenant shall not make any structural alterations or any major improvements to the Premises, without first obtaining Landlord's written consent. Tenant shall submit the plans and specifications for any major improvements or alterations to Landlord for approval prior to commencement of such work. the terms "major alterations" are defined as any alteration of the Premises costing in excess of \$3,000.00. Any alteration of the Premises that exceeds \$3,000.00 shall require a Statutory Bond for labor and materials. The Tenant shall obtain a permit from the City of Chickasha prior to making any improvements. All improvements must be completed in compliance with the permit and must be inspected by the City's Building Inspector.

VII. Governmental Requirements – General.

A. Tenant shall comply with all Governmental Requirements (local, state and/or federal) applicable to Tenant's use and operation of the Leased Premises. Without limiting the generality of the foregoing, Tenant shall at all times use and occupy the Airport and its related properties, in strict accordance with all obligations imposed upon Tenant by applicable laws, rules, regulations, minimum standards, policies, and security plans that are imposed or may be imposed by the Chickasha Municipal Airport Authority, the State of Oklahoma, the Federal Aviation Administration, the Transportation Security Administration, or the United States of America with respect to the Airport and operations thereof. Said laws, rules, regulations, minimum standards, policies, and security plans are specifically incorporated herein by reference and made a part of this Agreement.

B. Tenant and Tenant's employees shall procure, from all governmental authorities having jurisdiction over the operations of Tenant hereunder, all licenses, certificates, permits or other authorizations which may be necessary for the conduct of Tenant's aviation business on Leased Premises.

IX. Insurance.

A. Landlord does not and shall not provide insurance coverage for personal property, to include aircraft, stored or placed in the Leased Premises. Landlord shall have no responsibility to Tenant for any casualty or property loss from the use of the Leased Premise.

B. Tenant shall maintain uninterrupted comprehensive form public liability and property damage insurance coverage during the term of this Lease and any subsequent terms f in amounts not less than the limits of liability under the Governmental Torts Claim Act, 51 O.S. 2010, §151 *et seq*, including but not limited to:

1. Airport liability, and,
2. aircraft liability, and,

3. broad form property damage, and,
4. personal injury.

D. Tenant, if engaged in commercial aircraft operations shall maintain such coverage and limits as may be reasonably required by the Landlord from time to time, but coverage shall not be for less than one million U.S. dollars (\$1,000,000) combined single limit. Insurance coverage shall be issued by a broker licensed to conduct business in the State of Oklahoma.

E. Concurrent with the execution of this Agreement, Tenant shall provide proof of insurance coverage by providing Landlord with a certificate of Tenant's insurance coverage, a copy of the declarations page of the insurance policy and a copy of all endorsements. The certificates of insurance, or endorsements attached thereto, shall provide that:

1. Each operator shall require the insurance underwriter/agent to annotate on the policy that the CMAA shall be notified, via U.S. Mail, not less than thirty (30) days prior to the cancellation of the policy, and,
2. the Chickasha Municipal Airport Authority and their Directors, agents, trustees, officers, servants, and employees are named as additional insured parties at no expense, and,
3. the policy shall be considered primary with regards to any other insurance the Landlord may possess, including any self-insured retention or deductible Landlord may have or may obtain in the future, and any other insurance the CMAA may possess shall be deemed excess insurance only, and,
4. the limits of liability required herein are on an occurrence basis, and,
5. the policy shall be endorsed with a severability of interest of cross-liability endorsement, providing the coverage shall act for each insured as though a separate policy had been written for each insured or additional insured, however, nothing contained herein shall act to increase the limits of liability of the insurance company.

F. Any deductibles or self-insured retentions must be declared to and approved by the CMAA. At the option of the CMAA, either:

1. The Tenant shall reduce or eliminate such deductibles or self-insured retentions as it relates to the CMAA, and their Directors, agents, trustees,

officers, servants, and employees, or

2. Tenant shall procure a bond equal to the amount of such deductibles or self-insured retentions guaranteeing payment of losses and related investigations, claims administration and defense expenses, including attorneys' fees, court costs and expert fees.

G. If the insurance coverage required herein is canceled, changed in coverage or reduced in limits, Tenant shall, within fifteen (15) days of receipt of notice from the CMAA, but in no event later than the effective date of cancellation, change, or reduction, provide to the CMAA a certificate showing that insurance coverage has been reinstated or provided through another insurance company. Upon failure to provide such certificate, the CMAA may, without further notice, and, at its option, either:

1. Exercise the CMAA's rights as provided in the default provisions of this Agreement, or

2. procure insurance coverage at Tenant's expense whereupon Lessee promptly shall reimburse the CMAA for such expense.

X. Indemnity.

A. Tenant shall indemnify, protect, defend and hold completely harmless, the Chickasha Municipal Airport Authority (CMAA), the Chickasha Municipal Airport, and its trustees, councilors, officers, agents and employees, in their individual and official capacities, from and against all liability, losses, suits, claims, judgments, fines or demands arising from injury or death of any person or damage to any property or persons, or other liability of any nature occasioned by, but not limited to, fire, theft, vandalism, rain, flood, windstorm, hail, earthquake, collision or from any other cause, whether such cause be a direct, indirect or merely a contributing factor in producing said loss, injury, damage or liability, except for any injury or damage arising out of the gross negligence of the CMAA, its officers, trustees, councilors, officers, agents and employees, whether operating in their individual and official capacities.

B. All aircraft and other personal property stored by Tenant at the Airport are at Tenant's sole risk. The CMAA assumes no liability for loss or injury to persons or property arising from use of any Airport facilities, including all reasonable costs for investigation and defense thereof (including attorney fees, court costs, and expert fees), of any nature whatsoever arising out of or incident to this Agreement, Tenant's use or occupancy of the Chickasha Municipal Airport premises, the rights, licenses, or privileges granted Tenant herein, or the acts or omissions of Tenant's officers, agents, employees, contractors, subcontractors, or licensees, regardless of where the injury, death or damage may occur.

C. Landlord shall give notice to Tenant via certified U.S. mail, of any such liability, loss, suit, claim or demand, and Tenant shall defend the indemnified party or parties using legal counsel acceptable to Landlord and the indemnified party. The provisions of this section shall survive the expiration or early termination of the Agreement.

XI. Aircraft Servicing and Fuel Storage.

A. Tenant shall be entitled to service Tenant's privately owned aircraft in accordance with applicable governmental regulations and Landlord's policies, as may be amended from time to time at the Landlord's sole discretion. Tenant may service aircraft owned by others or otherwise engage in any aircraft related commercial services with the express written consent of Landlord, which shall not be unreasonably withheld.

B. Tenant shall comply with the fueling policy of the Landlord; as such policy, may be amended from time to time at Landlord's sole discretion. Tenant may not install bulk fuel storage tanks or operate mobile refueling without the express written consent of the Landlord, which consent may be withheld in Landlord's discretion.

D. In addition to any other requirements set forth in this Agreement, Tenant shall comply with all Governmental requirements, including, without limitation, those of the Chickasha Municipal Airport Authority, the U.S. Environmental Protection Agency, and the U.S. Federal Aviation Administration. Tenant shall comply with applicable federal, state, and local environmental and fire protection requirements, codes, standards, ordinances, or other regulatory measures in existence now or hereafter enacted. All costs associated with compliance of environmental and fire prevention requirements, codes, standards, ordinances, or other regulatory measures shall be the responsibility of the Tenant.

E. Tenant shall be solely responsible for the removal of all waste fuel, oil, and hydraulic fluid products that are generated due to Tenant's conduct or operation of his business from the Chickasha Municipal Airport property.

XII. Indemnity – Hazardous Substance.

A. Tenant shall not permit nor cause any hazardous substance to be used, stored, generated or disposed of on or in the Leased Premises or on the property of the Chickasha Municipal Airport by Tenant, Tenant's agents, employees, contractors, or invitees without first obtaining the Landlord's written consent.

B. If hazardous substances are used, stored, generated, or disposed of on or in the Leased Premises, except as permitted by the Chickasha Municipal Airport Authority, or if the Leased Premises or any other Airport property become contaminated in any manner for which Tenant is responsible or legally liable, Tenant shall indemnify and hold harmless the Landlord from any and all claims,

damages, fines, judgments, penalties, costs, liabilities, or losses (including without limitation, a decrease in value of the Leased Premises or other Airport property, damages caused by loss or restriction of rentable or usable space as a part of the Leased Premises, or any Airport property, and any and all sums paid for settlement of claims, attorney's fees, consultant and expert fees) arising during or after the Term hereof and arising as a result of that contamination by Tenant or Tenant's agents, employees, contractors or invitees. This indemnification includes, without limitation, all costs incurred because of any investigation of the Airport or any cleanup, removal, or restoration mandated by a federal, state or local agency or political subdivision.

C. Without limitation of the foregoing, if Tenant causes or permits the presence of any hazardous substance on the Leased Premises or other Airport property that results in contamination, Tenant shall promptly commence, at its sole expense, all necessary actions to return the contaminated premises to the condition existing prior to the presence of any such hazardous substance. Tenant shall obtain approval for any such remedial action from the Airport. This indemnification agreement includes but is not limited to the Tenant's previous and future use of the Airport.

C. As used herein, "Hazardous Substance" means any substance that is toxic, ignitable, reactive, or corrosive and that is regulated by the City of Chickasha, the State of Oklahoma, or the United States Government. "Hazardous Substance" includes all materials or substances that are defined as "hazardous waste", "extremely hazardous waste", or a hazardous substance" pursuant to state, federal or local governmental law. "Hazardous substance" includes, but is not restricted to, asbestos, lead-based paints, polychlorobiphenyls ("PCBs"), and petroleum and petroleum-related products.

XIII. No Liability for Exercise of Powers.

The Landlord shall not be liable to Tenant for any diminution or deprivation of its rights which may result from the proper exercise of any power reserved to the Landlord in the Agreement or by governmental requirements; Tenant shall not be entitled to terminate this Agreement by reason thereof, unless the exercise of such power shall interfere with Tenant's rights hereunder to constitute a termination of this Agreement by operation of law.

XIV. Rules and Regulations.

Landlord has reasonable rules and regulations which Landlord may, from time to time in its sole discretion, amend, and which Tenant agrees to observe and obey with respect to the use of the Airport and its appurtenances, together with all facilities, improvements, equipment and services of the Airport, for the purpose of providing for safety, good order, good management, good conduct, sanitation and preservation of the Airport and its facilities; provided such rules and regulations

shall be consistent with safety and with rules, regulations and orders of the Federal Aviation Administration with respect to aircraft operations at the Airport; or the procedures prescribed, or approved from time to time by the Federal Aviation Administration or its successors in duties, with respect to operations and maintenance of the Airport or operation of aircraft conducted by Tenant at the Airport.

XV. Assignment.

Tenant shall not assign this lease or sublet any or all parts of the Leased Premises without the express written consent of Landlord. Any request to assign or sublease any or all portions of this Agreement shall be made in writing and delivered to the Landlord by U.S. Mail.

XVI. Surrender of Premises.

A. Upon the expiration of this lease, or of any renewal or extension thereof, Tenant agrees to yield and deliver to Landlord the possession of the Leased Premises in good condition, less fair wear and tear. Landlord shall inspect the Leased Premises not less than thirty (30) days prior to the expiration of the lease and Landlord shall provide Tenant a list of deficiencies that shall be corrected prior to Tenant vacating the Leased Premises.

B. If Tenant fails to complete the required repairs within thirty (30) days after Tenant is notified in writing by Landlord, Landlord may, at Landlord's option, make such repairs as may be required at the sole expense of Tenant.

C. In the alternative, Landlord may take such action deemed in the best interest of the Landlord, to include the requirement to remove said improvements from the Leased Premises at Tenant's sole expense.

XVII. Force Majeure.

Neither Landlord, nor Tenant, shall be deemed in violation of this Agreement if either is prevented from performing any of its obligations hereunder by reason of strikes, boycotts, labor disputes, embargos, shortages of materials, acts of God, acts of the public enemy, acts of superior governmental authority, weather conditions, floods, riots, rebellions, acts of sabotage, or any other circumstances for which it is not responsible, or which are not under its control; provided, however, that this Section does not exempt the Tenant from paying the rentals, fees, and charges set forth herein. In any such case, a prompt written notice shall be given to the other party of the existence of such causes and of readiness to resume performance upon the removal or non-existence thereof.

XVIII. Cancellation by Landlord.

A. Landlord, at its option, may declare this Agreement terminated in its entirety upon the happening of any one or more of the following events and may exercise all rights of entry and re-entry upon the premises.

1. If the rentals, fees, charges, or other money payments which the Tenant herein agrees to pay, or any part thereof, shall be unpaid on the date the same shall become due, or If the Tenant shall file a voluntary petition in bankruptcy or make a general assignment for the benefit of creditors or if the Tenant is adjudicated a bankrupt, or,

2. if the Tenant abandons and ceases to use premises for a period of sixty (60) consecutive days, except when such abandonment or cessation is due to fire, earthquake, strike, governmental action, or other cause beyond Landlord's control, or,

3. if the Tenant shall use or permit the use of the premises at any time for any purpose for which the use thereof at that time is not authorized by this Agreement or by a subsequent written agreement between the parties or shall use or permit the use thereof in violation of any law, rule or regulation to which the Tenant has agreed in this Agreement to conform, or,

4. if the Tenant shall be in violation of any provision of this Agreement with respect to the leasing of the premises, Tenant agrees to pay all reasonable and proper attorney's fee's and costs which may be incurred by Landlord because of Tenant's breach of this Agreement.

B. Notwithstanding anything to the contrary contained in this Agreement, no termination declared by either party shall be effective unless and until not less than thirty (30) days have elapsed after written notice to the other specifying the date upon which such termination shall take effect and the cause for which it is being terminated (and if such termination is deemed default under this Agreement, specifying such default with reasonable accuracy), or,

1. no such termination shall be effective if such cause shall have been cured or removed during such thirty (30) day period, or,

2. in the event such cause is a default under this Agreement (for which termination is authorized) and if, by its nature, such default cannot be cured within such thirty (30) day period, termination shall not be effective if the party in default commences to correct such default within thirty (30) days.

C. Tenant agrees and understands that, because of the broad public interest in the efficient maintenance, operation and development of the Airport, the Landlord hereby expressly reserves the right to terminate this Agreement upon a determination by Landlord that the Leased Premises are needed for Airport

construction or development. However, in the absence of an emergency, Landlord will give Tenant ninety (90) day notice of Landlord's intent to terminate the agreement for construction or development. If an emergency arises that prevents Landlord from being able to give a ninety (90) day notice, reasonable advance notice will be given.

XIX. Cancellation by Tenant.

Tenant, at its option, may declare this Agreement terminated in its entirety upon the happening of any one of the following events:

1. If a court of competent jurisdiction issues an injunction against the Landlord or any successor body to the Landlord preventing or restraining the use of the Airport for Airport purposes in its entirety, or any part thereof which may be used by the Tenant and which is substantially necessary to the Tenant for its operation, and if such injunction remains in force for a period of thirty (30) days or more, or,
2. if the premises become unusable in whole or in part, and the Landlord does not terminate the Agreement thereof pursuant to an option reserved to it in this Agreement and does not proceed as promptly as reasonably practicable with the repairs and rebuilding necessary to restore the Premises to its condition prior to the occurrence of the damage, or,
3. if the Landlord fails to provide and maintain means for free and unobstructed ingress and egress to and from the Premises in accordance with the provisions of this Agreement, or because of any willful act by the Landlord, or any willful omission or act done or permitted to be done in violation of this Agreement, whereupon the Landlord substantially interferes with the use by Tenant of the Premises for which the uses thereof at that time is authorized by this Agreement.

XX. If the Landlord shall be in violation of any provisions of this Agreement and Lease with respect to maintenance of the Premises.

- A. Notwithstanding anything to the contrary contained in this Agreement, no termination declared by either party shall be effective unless and until not less than thirty (30) days have elapsed after written notice to the other specifying the date upon which such termination shall take effect and the cause for which it is being terminated (and if such termination is because of default under this Agreement, specifying such default with reasonable accuracy), or,
- B. no such termination shall be effective if such cause shall have been cured or removed during such thirty (30) day period, or,
- C. if such cause is a default under this Agreement (for which termination is

authorized) and if, by its nature, such default cannot be cured within such thirty (30) day period, termination shall not be effective if the party in default commences to correct such default within thirty (30) days.

D. The jurisdiction for any dispute arising under this lease shall be in the State of Oklahoma with venue in Grady County.

XXI. Non-Waiver of Rights.

Continued performance by either party hereto pursuant to the terms of this Agreement after a default of any of the terms, covenants and conditions herein contained to be performed, kept or observed by the other party hereto shall not be deemed a waiver of any right to cancel this Agreement for any subsequent default and no waiver of any such default shall be construed, or act, as a waiver of any subsequent default.

XXII. Nondiscrimination.

Tenant, as part of the consideration hereof, does hereby covenant and agree:

A. That no person on the grounds of race, color, religion, sex or national origin, shall be excluded from participation in, denied the benefit of, or be otherwise subjected to discrimination by Tenant, in the use of the premises leased hereunder, and,

B. that in the construction of any improvements on, over, or under such Leased Premises, and the furnishing of services thereon, no person on the grounds of race, color, religion, sex or national origin, shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination, and,

C. that Tenant shall maintain, use, and operate in the Leased Premises and provide services in compliance with all requirements imposed by Title 49 CFR Part 21, Nondiscrimination in Federally Assisted Programs of the Department of Transportation, which may be amended from time to time.

XXIII. Economic Nondiscrimination.

Landlord shall furnish all services on a reasonable and not unjustly discriminatory basis to all users thereof, and charge reasonable, and not unjustly discriminatory prices for all services provided.

XXIV. Subordination of Agreement.

This Agreement shall be subordinate to the provisions of any existing and future agreements between Landlord and the United States of America, the State of Oklahoma, and the Chickasha Municipal Airport Authority, their courts, boards,

agencies, relative to the operation or maintenance of the Chickasha Municipal Airport, the execution of which has been or will be required as a condition to the expenditure of federal, state or county funds or the issuance of bonds for the development of the Airport.

XXV. Notices.

All notices to Landlord provided for herein shall be sent by U.S. mail addressed to: Chickasha Municipal Airport Authority (CMAA), 117 North 4th Street, Chickasha, Oklahoma 73018, or as may be amended from time to time. All notices to Tenant provided for herein shall be sent by U.S. Mail addressed to: Aircraft Systems, Inc. 2315 Cherrybrook Street Duncan, Oklahoma 73533, or as may be amended from time to time.

XXVI. Prior Agreements.

This Agreement cancels and supersedes all prior agreements between the parties hereto covering premises, facilities, rights, privileges, and services referred to herein. Tenant agrees that this Agreement is separate and independent from any existing agreement and/or any future agreement of any nature that might be contemplated by Tenant and CMAA and/or Tenant and City of Chickasha. In executing this Agreement, Tenant is not relying on any promises or representations made by City of Chickasha, Economic Development Council of Chickasha, Inc., or any other person or entity that is not a party to this Agreement.

XXVII. Holding Over.

A. If Tenant remains in possession of the Leased Premises after the expiration of this Agreement, without a new lease reduced to writing and duly executed, even if Tenant shall have paid and Landlord shall have accepted, rent in respect of such holding over, Tenant shall be deemed to be occupying the Leased Premises only as a tenant from month to month, subject to all the covenants, conditions and agreements in this Lease Agreement and cancelable by either party upon thirty (30) days written notice to the other.

B. This Agreement shall be deemed to be made in and shall be construed in accordance with the laws of the State of Oklahoma. To the extent allowed by law, the venue for any action arising from this Agreement shall be the Grady County state court located in Chickasha, Oklahoma, Oklahoma.

C. If either party shall bring any legal or equitable action against the other, the losing party shall pay the reasonable attorney fees and costs incurred by the prevailing party in such action including any appeal. For purposes of this section, "costs" shall include expert witness fees, and court costs.

XXVIII. Taxes and Other Governmental Charges.

Tenant shall pay, as the same become due, all taxes and governmental charges of any kind whatsoever that at any time may be lawfully assessed or levied against or with respect to the Leased Premises or Tenant's improvements, machinery, equipment or other property installed or used upon the Airport, including any ad valorem or personal property tax that may be assessed against any leasehold interest or estate created by this Agreement. In good faith and with due diligence, Tenant may contest any such taxes or governmental charges against the Agency assessing such taxes in accordance with the laws of the State of Oklahoma.

XXIX. Invalidity of Clauses.

The invalidity of any portion, paragraph, provision or clause of this Agreement shall have no effect upon the validity of any other part or portion thereof.

XXX. Approval by Landlord.

Wherever the approval of Landlord is called for herein, it is understood and agreed that such approval shall be in writing, in advance, and shall not be unreasonably withheld.

XXXI. Headings.

The Section titles shown in this Agreement are included only as a matter of convenience and for reference and do not define, limit, or describe the scope or intent of any provision of this Agreement.

XXXII. Title.

Title to all improvements and fixtures constructed directly on the Leased Premises by Tenant shall remain in Tenant's name until the expiration of this Agreement in accordance with the provisions of Paragraph one (1). All improvements located on the Leased Premises at the expiration of this Agreement shall, without compensation to Tenant, be assigned and transferred to the Chickasha Municipal Airport Authority. Tenant shall surrender the improvements to the Landlord free and clear of all liens and encumbrances. Tenant agrees to execute, acknowledge, and deliver to the Landlord any instrument requested by Landlord as necessary in the opinion of Landlord to perfect Landlord's right, title, and interests in the improvements to the Leased Premises.

Nothing Follows

IN WITNESS, WHEREOF, the parties have caused these presents to be signed by their duly authorized officers and their official or corporate seals to be affixed hereto and attested as of the _____ day of _____, 2021.

LANDLORD: **CHICKASHA MUNICIPAL AIRPORT AUTHORITY (CMAA)**

By (Signature): _____

Print Name: _____

Print Title: _____

ATTEST: **By (Signature):** _____

Print Name and Title: _____

TENANT: **By (Signature):** _____

Print Name: _____

Print Title: _____

Street Address: _____

City and State: _____

Print Telephone _____

E-Mail _____

ATTEST: **By (Signature):** _____

Name and Title: _____