

*****AMENDED*****

**Choctaw Utilities Authority
Regular Board of Trustees Meeting No. 06
March 21, 2023 @ 7:00pm or Immediately
Following the City Council Meeting
Choctaw City Hall, 2500 N Choctaw Road
Choctaw, Oklahoma 73020**

1. **Call to Order.**
2. **Roll Call.**
3. **Public Comments:** This agenda item is for public comments on city related non-agenda items. In accordance with State law, the City Council and City Staff are not allowed to respond to any comments made. Only residents of the City, and/or identifiable business doing business in or with the City, and/or persons who own property and/or their representative in the City or where it is required by statute during public hearings may speak during the Public Comments Agenda item during the meeting and NO formal action will be taken during the meeting. Speakers are limited to 3 minutes each or one speaker may represent a collective group and speak for a total of 15 minutes.
4. **Consent Agenda:** The following items are hereby designated for routine approval, acceptance or acknowledgment by one motion, subject to any conditions included therein. If any item does not meet with the approval of all members, that item will be heard in regular order.
 - 4.1 Regular Pre-Meeting minutes for 03-07-23
(Requested by City Clerk, Amanda Williams)
 - 4.2 Regular Meeting minutes for 03-07-23
(Requested by City Clerk, Amanda Williams)
 - 4.3 Vouchers and Claims as approved by the Executive Director:
 1. 03-03-23 Claims: \$ 161,155.48
 2. 03-09-23 Claims: \$ 9,716.02*(Requested by Finance Director, Melinda Lloyd)*
5. **Business Agenda:** The following items are hereby designated for discussion and consideration which requires individual action.
 - 5.1 Discussion, consideration and action on the Audit Engagement Letter between the

Choctaw Utilities Authority and Dillon & Associates, P.C. for fiscal year ending June 30, 2023.

(Requested by Finance Director, Melinda Lloyd)

- 5.2** Discussion, consideration and action to approve the Private Driveway Easement and Special Warranty Deed from CUA to Choctaw Shoppes LLC and authorize the Chairman to sign.

(Requested by City Attorney, Ray Vincent)

- 6. New Business:** This item is listed to provide the opportunity for trustee discussion on items which may arise within twenty-four (24) hours prior to this meeting, and therefore, qualify as new business under the Oklahoma Open Meeting Act.

- 7. Trustee/Staff Remarks:** This item is listed to provide an opportunity for the trustees and/or staff to make comments and/or request specific agenda items. No action will be taken.

7.1 Board of Trustees;

7.2 Trust Attorney;

7.3 Executive Director; and

7.4 Project Updates

- 8. Adjournment:**

This agenda was posted in prominent public view at Choctaw City Hall on or prior to 5:00 pm on March 17, 2023, in accordance with the Oklahoma Open Meeting Act.



Amanda Williams, City Clerk

THE CHOCTAW UTILITIES AUTHORITY ENCOURAGES PARTICIPATION FROM ALL ITS CITIZENS. IF PARTICIPATION AT ANY PUBLIC MEETING IS NOT POSSIBLE DUE TO A DISABILITY, PLEASE NOTIFY THE CITY CLERK AT LEAST TWENTY-FOUR (24) HOURS PRIOR TO THE SCHEDULED MEETING SO THAT NECESSARY

City of Choctaw and Choctaw Utilities Authority
Regular Pre-Meeting of the City Council/Board of Trustees No. 05
March 7, 2023 @ 6:30pm
Choctaw City Hall, 2500 N Choctaw Road
Choctaw, Oklahoma 73020

MINUTES

1. Call to Order @ 6:31 pm

Roll Call:

7 Present: Chad Williams; Brent Pendergraft; Jeannie Abts @6:33pm; Donna Morris; Steve Krieske; Rick Modisette; Randy Ross

0 Absent: None

Staff Present: Brian Linley/City Manager; Amanda Williams/City Clerk; Stuart Drake/Parks & Recreation Director; Kelly Marshall/Police Chief; John Smith/Human Resources Director; Jerry Hand/Building Maintenance; Loren Bumgarner/Fire Chief; Kerry Williams/Asst. Fire Chief; Sarah Huffine/Development Services Director; Ray Vincent/City Attorney

2. Business Agenda: The following items are hereby designated for discussion only.

2.1 Staff briefing and clarification on agenda items.

City Manager/Executive Director briefed the City Council/Board of Trustees on each agenda item and answered any questions.

2.2 Staff briefing on current and upcoming projects and/or issues relating to the City and CUA.

City Manager/Executive Director briefed Council/Board on upcoming projects and/or issues relating to the City and CUA and answered any questions.

3. Council/Staff Remarks: This item is listed to provide an opportunity for the Council and/or Staff to make comments and/or request specific agenda items. No action will be taken.

**4. Adjournment:
Called @ 6:56 pm.**

ATTEST:

Amanda Williams, City Clerk

CHOCTAW UTILITIES AUTHORITY

Randy Ross, Chairman

**Choctaw Utilities Authority
Regular Board of Trustees Meeting No. 05
March 7, 2023 @ 7:00pm or Immediately
Following the City Council Meeting
Choctaw City Hall, 2500 N Choctaw Road
Choctaw, Oklahoma 73020**

MINUTES

1. Call to Order by **Chairman @ 7:56 pm**

2. **Roll Call:**
 - 7 **Present:** **Chad Williams; Brent Pendergraft; Jeannie Abts @6:33pm; Donna Morris; Steve Krieske; Rick Modisette; Randy Ross**
 - 0 **Absent:** **None**

Staff Present: **Brian Linley/City Manager; Amanda Williams/City Clerk; Stuart Drake/Parks & Recreation Director; Kelly Marshall/Police Chief; John Smith/Human Resources Director; Jerry Hand/Building Maintenance; Loren Bumgarner/Fire Chief; Kerry Williams/Asst. Fire Chief; Sarah Huffine/Development Services Director; Ray Vincent/City Attorney**

3. **Public Comments:** This agenda item is for public comments on utility related non-agenda items. In accordance with State law, the Board of Trustees and Trust Staff are not allowed to respond to any comments made. Preference will be given to Choctaw Citizens and NO formal action will be taken during the meeting. Speakers are limited to 3 minutes for a total of 15 minutes.

None.

4. **Consent Agenda:** The following items are hereby designated for routine approval, acceptance or acknowledgment by one motion, subject to any conditions included therein. If any item does not meet with the approval of all members, that item will be heard in regular order.
 - 4.1 Regular Pre-Meeting minutes for 02-21-23
(Requested by City Clerk, Amanda Williams)

4.2 Regular Meeting minutes for 02-21-23
(Requested by City Clerk, Amanda Williams)

4.3 Vouchers and Claims as approved by the Executive Director:

1. 02-21-23 Claims: \$ 81,632.13
2. 02-23-23 Claims: \$ 931.34
3. 02-24-23 Claims: \$ 371,552.60

(Requested by Finance Director, Melinda Lloyd)

MOTION BY Rick Modisette and SECOND BY Brent Pendergraft approve the consent agenda as presented.

MOTION CARRIED:

7	Ayes:	Williams, Pendergraft, Abts, Morris, Krieske, Modisette, Ross
0	Nays:	None
0	Absent:	None
0	Abstain:	None

5. Business Agenda: The following items are hereby designated for discussion and consideration which requires individual action.

None.

6. New Business: This item is listed to provide the opportunity for trustee discussion on items which may arise within twenty-four (24) hours prior to this meeting, and therefore, qualify as new business under the Oklahoma Open Meeting Act.

None.

7. Trustee/Staff Remarks: This item is listed to provide an opportunity for the trustees and/or staff to make comments and/or request specific agenda items. No action will be taken.

- 7.1** Board of Trustees;
- 7.2** Trust Attorney;
- 7.3** Executive Director; and
- 7.4** Project Updates

None.

**8. Adjournment:
Adjourned @ 7:57 pm.**

ATTEST:

Amanda Williams, City Clerk

CHOCTAW UTILITIES AUTHORITY

Randy Ross, Chairman



Choctaw, OK

My Receipt Register - Abridged

POPKT02328 - 03/03/2023 CUA Claims

Vendor	Purchase Order	Invoice	Bank Code	Post Date	Description:	Account	Vendor Amount Item Amount
<u>CUA: 010977 - BANCFIRST</u>							131,844.80
	REQ13369	ORF-15-0007-CW Const	CUA AP	03/03/2023	ORF-15-0007-CW LOAN PAYMENT	61-810-652000 - OWRB PRINCIPAL & INTEREST	131,844.80
<u>CUA: 01382 - BOKF NA</u>							500.00
	REQ13356	5137394	CUA AP	03/03/2023	BOND TRUST FEE - UA 2017 A FAP-17-0007-L	61-810-652000 - OWRB PRINCIPAL & INTEREST	500.00
<u>CUA: 000156 - BUSBY PUMP & SUPPLY LLC</u>							437.18
	REQ13262	11671	CUA AP	03/03/2023	Well Repair	61-810-622000 - REPAIR & MAINTENANCE SUPPLIES	437.18
<u>CUA: 011239 - CALLAWAY GOLF</u>							2,072.10
	REQ12249	935944831	CUA AP	03/03/2023	Golf Balls	67-670-621001 - OPERATING SUPPLIES: PROSHOP	119.76
	REQ13209	935942723	CUA AP	03/03/2023	Golf Balls	67-670-621001 - OPERATING SUPPLIES: PROSHOP	586.35
	REQ13221	935944830	CUA AP	03/03/2023	Golf Balls	67-670-621001 - OPERATING SUPPLIES: PROSHOP	663.39
	REQ13328	935984795	CUA AP	03/03/2023	Golf Gloves	67-670-621001 - OPERATING SUPPLIES: PROSHOP	702.60
<u>CUA: 000200 - CITY OF MIDWEST CITY</u>							350.00
	REQ13382	16589	CUA AP	03/03/2023	HHW - September Services	61-680-634500 - CONTRACTUAL SERVICES	350.00
<u>CUA: 01015 - DELTA DENTAL</u>							881.76
	REQ13386	1781746	CUA AP	03/03/2023	DENTAL INSURANCE	61-680-634600 - HEALTH INSURANCE	144.70
					DENTAL INSURANCE	61-810-634600 - HEALTH INSURANCE	144.72
					DENTAL INSURANCE	61-900-634600 - HEALTH INSURANCE	289.40
					DENTAL INSURANCE	61-910-634600 - HEALTH INSURANCE	184.26
					DENTAL INSURANCE	67-670-634600 - HEALTH INSURANCE	118.68
<u>CUA: 01429 - E-Z-GO A TEXTRON COMPANY</u>							1,379.89
	REQ13329	92908290	CUA AP	03/03/2023	Parts to fix broke down golf carts	67-670-621500 - FLEET PARTS & SUPPLIES	1,123.53
		92982556	CUA AP	03/03/2023	Parts to fix broke down golf carts	67-670-621500 - FLEET PARTS & SUPPLIES	256.36
<u>CUA: 01017 - HEALTH CARE SERVICE CORPORATION</u>							10,844.02
	REQ13387	171688 March 2023	CUA AP	03/03/2023	HEALTH INSURANCE	61-680-634600 - HEALTH INSURANCE	1,569.08
					HEALTH INSURANCE	61-810-634600 - HEALTH INSURANCE	1,588.37
					HEALTH INSURANCE	61-900-634600 - HEALTH INSURANCE	2,880.36
					HEALTH INSURANCE	61-910-634600 - HEALTH INSURANCE	3,416.67
					HEALTH INSURANCE	67-670-634600 - HEALTH INSURANCE	1,389.54

My Receipt Register - Abridged

POPKT02328 - 03/03/2023 CUA Claims

Vendor	Purchase Order	Invoice	Bank Code	Post Date	Description:	Account	Vendor Amount Item Amount
<u>CUA: 000514 - MARC</u>							1,686.17
	REQ13250	0783237 IN	CUA AP	03/03/2023	fireball manhole cleaner	61-900-622001 - CHEMICALS	1,686.17
<u>CUA: 01018 - MUTUAL OF OMAHA</u>							382.71
	REQ13388	G000APZ6 03/2023	CUA AP	03/03/2023	LIFE INSURANCE	61-680-634600 - HEALTH INSURANCE	20.25
					LIFE INSURANCE	61-810-634600 - HEALTH INSURANCE	240.73
					LIFE INSURANCE	61-900-634600 - HEALTH INSURANCE	28.92
					LIFE INSURANCE	61-910-634600 - HEALTH INSURANCE	72.43
					LIFE INSURANCE	67-670-634600 - HEALTH INSURANCE	20.38
<u>CUA: 000548 - NORTH CENTRAL LABORATORIES</u>							23.30
	REQ13134	483239	CUA AP	03/03/2023	Lab Reagents	61-910-622001 - CHEMICALS	23.30
<u>CUA: 000580 - OKLAHOMA CONTRACTOR'S SUPPLY</u>							235.00
	REQ12076	0373591-IN	CUA AP	03/03/2023	Mainline break parts for Sept 19th -23rd	61-810-622000 - REPAIR & MAINTENANCE SUPPLIES	75.00
		0373592 IN	CUA AP	03/03/2023	Mainline break parts for Sept 19th -23rd	61-810-622000 - REPAIR & MAINTENANCE SUPPLIES	160.00
<u>CUA: 000610 - OMES-CENTRAL PRINTING</u>							499.35
	REQ13284	23231341	CUA AP	03/03/2023	FEB late notices	61-690-634500 - CONTRACTUAL SERVICE	183.15
	REQ13349	23231415	CUA AP	03/03/2023	MAR UB BILL statements	61-690-634500 - CONTRACTUAL SERVICE	316.20
<u>CUA: 000558 - O'REILLY AUTOMOTIVE STORES</u>							80.43
	REQ13304	328-417673	CUA AP	03/03/2023	Battery and ring terminal for cart	67-670-621500 - FLEET PARTS & SUPPLIES	80.43
<u>CUA: 010199 - QUINTELLA PRINTING</u>							578.00
	REQ13261	73378	CUA AP	03/03/2023	Lab Control Books	61-810-632500 - PRINTING & BINDING	578.00
<u>CUA: 010740 - R & R PRODUCTS INC.</u>							219.00
	REQ13156	CD2753039	CUA AP	03/03/2023	Bed Knives for greens mower	67-670-621500 - FLEET PARTS & SUPPLIES	219.00
<u>CUA02170 - Ready To Work</u>							1,901.20
	REQ12981	1262	CUA AP	03/03/2023	TEMPORARY STAFFING	61-810-611100 - GROSS SALARIES	1,901.20
<u>CUA: 01427 - SPMR</u>							3,144.72
	REQ13244	SPMR3625	CUA AP	03/03/2023	ANNUAL LICENSING AND SUPPORT	61-810-633000 - PROFESSIONAL SERVICES	3,144.72
<u>CUA: 011109 - SRIXON / CLEVELAND GOLF</u>							2,260.20
	REQ12734	7248083 SO	CUA AP	03/03/2023	Golf Balls	67-670-621001 - OPERATING SUPPLIES: PROSHOP	80.19
	REQ13253	61326713 SO	CUA AP	03/03/2023	Golf Clubs (Wedges)	67-670-621001 - OPERATING SUPPLIES: PROSHOP	460.71
		7264606 SO	CUA AP	03/03/2023	Golf Clubs (Wedges)	67-670-621001 - OPERATING SUPPLIES: PROSHOP	681.30
	REQ13254	7234351 SO	CUA AP	03/03/2023	Golf Gloves	67-670-621001 - OPERATING SUPPLIES: PROSHOP	1,038.00

My Receipt Register - Abridged

POPKT02328 - 03/03/2023 CUA Claims

Vendor	Purchase Order	Invoice	Bank Code	Post Date	Description:	Account	Vendor Amount Item Amount
<u>CUA: 01200 - TAYLORMADE GOLF COMPANY</u>							
	REQ11882	36468447	CUA AP	03/03/2023	Golf Equipment	67-670-621001 - OPERATING SUPPLIES: PROSHOP	553.10 553.10
<u>CUA: 011220 - TYLER PEST SOLUTION LLC</u>							
	REQ13306	16858	CUA AP	03/03/2023	Bug control	67-670-634500 - CONTRACTUAL SERVICES	60.00 60.00
<u>CUA: 010730 - USA BLUE BOOK</u>							
	REQ12562	194620	CUA AP	03/03/2023	Chemical reagents	61-910-622001 - CHEMICALS	619.13
		200161	CUA AP	03/03/2023	Chemical reagents	61-910-622001 - CHEMICALS	34.20
	REQ13036	244435	CUA AP	03/03/2023	Microbiology stain	61-910-622001 - CHEMICALS	101.38
	REQ13330	280761	CUA AP	03/03/2023	DPD (Chlorine residual)	61-810-621001 - CHEMICALS	244.36
<u>CUA: 01021 - VISION SERVICE PLAN</u>							
	REQ13390	817291843 03-2023	CUA AP	03/03/2023	VISION INSURANCE	61-680-634600 - HEALTH INSURANCE	223.48 29.72
					VISION INSURANCE	61-810-634600 - HEALTH INSURANCE	29.72
					VISION INSURANCE	61-900-634600 - HEALTH INSURANCE	59.44
					VISION INSURANCE	61-910-634600 - HEALTH INSURANCE	70.73
					VISION INSURANCE	67-670-634600 - HEALTH INSURANCE	33.87
Report Total:							161,155.48

APPROVED

Brian E Lindsey 3-2-23



Choctaw, OK

My Receipt Register - Abridged

POPKT02349 - 03-09-2023 CUA Claims

Vendor	Purchase Order	Invoice	Bank Code	Post Date	Description:	Account	Vendor Amount Item Amount
<u>CUA: 01127 - BANK OF AMERICA (CRED CARD)</u>							667.98
	REQ13247	02/17 - Golden Env. Wa	CUA AP	03/09/2023	2 Day class for Allen and Chris	61-910-633000 - PROFESSIONAL SERVICES	489.38
	REQ13248	02/14 - DEQ - Water	CUA AP	03/09/2023	DEQ Application Fees	61-910-633000 - PROFESSIONAL SERVICES	128.84
	REQ13355	02/27 Walmart Water	CUA AP	03/09/2023	Ice Chests for chemicals	61-810-622000 - REPAIR & MAINTENANCE SUPPLIES	49.76
<u>CUA: 011263 - CINTAS CORPORATION</u>							60.71
	REQ13368	4147851679	CUA AP	03/09/2023	Cleaning Bill	67-670-634500 - CONTRACTUAL SERVICES	60.71
<u>CUA: 010038 - COX COMMUNICATIONS INC.</u>							837.28
	REQ13432	001 6111 067712301 03	CUA AP	03/09/2023	Cox Bill	61-810-631500 - COMMUNICATIONS	837.28
<u>CUA: 000292 - FCKROAT SEED CO.</u>							2,703.25
	REQ13367	89233	CUA AP	03/09/2023	Chemicals for the greens and collars	67-670-622000 - REPAIR & MAINTENANCE SUPPLIES	2,703.25
<u>CUA: 000358 - GRAINGER</u>							98.00
	REQ13136	9594068596	CUA AP	03/09/2023	Net, brush, air tool oil	61-910-621000 - OPERATING SUPPLIES-MISCELLANEOUS	98.00
<u>CUA: 000548 - NORTH CENTRAL LABORATORIES</u>							297.49
	REQ13134	482879	CUA AP	03/09/2023	Lab Reagents	61-910-622001 - CHEMICALS	104.60
		483003	CUA AP	03/09/2023	Lab Reagents	61-910-622001 - CHEMICALS	52.10
	REQ13135	483003a	CUA AP	03/09/2023	Lab Reagents	61-910-622001 - CHEMICALS	140.79
<u>CUA: 01588 - NORTHERN SAFETY CO. INC.</u>							115.92
	REQ13137	905243615	CUA AP	03/09/2023	Cleaning supplies	61-910-621000 - OPERATING SUPPLIES-MISCELLANEOUS	115.92
<u>CUA: 000552 - O G & E ELECTRIC SERVICES</u>							659.04
	REQ13428	131431463-2 03-23	CUA AP	03/09/2023	OGE Bill	61-810-631000 - UTILITY SERVICES	94.16
		132411345-3 03/23	CUA AP	03/09/2023	OGE Bill	61-810-631000 - UTILITY SERVICES	40.51
		769737-8 03-23	CUA AP	03/09/2023	OGE Bill	61-810-631000 - UTILITY SERVICES	326.55
		850638-8 03-23	CUA AP	03/09/2023	OGE Bill	61-810-631000 - UTILITY SERVICES	84.46
	REQ13429	833415-3 03-23	CUA AP	03/09/2023	OGE Bill	61-900-631000 - UTILITY SERVICES	97.37
	REQ13433	130753987-2 03-23	CUA AP	03/09/2023	OG&E Golf Course electric bill	67-670-631000 - UTILITIES	15.99
<u>CUA: 000600 - OKLAHOMA NATURAL GAS CO</u>							149.53
	REQ13423	210311346 2532154 18	CUA AP	03/09/2023	ONG	61-910-631000 - UTILITY SERVICES	115.21
		211359717 2524910 82	CUA AP	03/09/2023	ONG	61-910-631000 - UTILITY SERVICES	34.32

My Receipt Register - Abridged

POPKT02349 - 03-09-2023 CUA Claims

Vendor						Vendor Amount
Purchase Order	Invoice	Bank Code	Post Date	Description:	Account	Item Amount
<u>CUA02170 - Ready To Work</u>						
REQ12981	1266	CUA AP	03/09/2023	TEMPORARY STAFFING	61-810-611100 - GROSS SALARIES	1,411.20
<u>CUA: 010730 - USA BLUE BOOK</u>						
REQ12235	285396	CUA AP	03/09/2023	4 X 500ml H2SO4 / CL2 replacement parts	61-810-622000 - REPAIR & MAINTENANCE SUPPLIES	52.53
REQ13362	283758	CUA AP	03/09/2023	E. Coli Chamber	61-910-630500 - MISCELLANEOUS	907.00
<u>CUA02129 - WEX Bank</u>						
REQ13476	87776166	CUA AP	03/09/2023	Fuel	61-680-621501 - FUEL	1,756.09
				Fuel	61-810-621501 - FUEL	115.64
						1,640.45
Report Total:						9,716.02

APPROVED

Brian E Linley 3-9-23

CITY OF CHOCTAW

STAFF REPORT

CUA

Meeting of:

3/21/2023

Finance

Department

Amanda Williams

Prepared By

Brian E Linley

Department Head

City Manager

AGENDA TITLE: Audit Engagement Letter between the Choctaw Utilities Authority and Dillon & Associates, P.C. for fiscal year ending June 30, 2023 audit services

Public hearing required if this box is checked

Report:

The Choctaw Utilities Authority undergoes an annual audit. This audit engagement letter will provide the scope of services, fees, and procedures for the annual audit for fiscal year ending June 30, 2023.



DILLON & ASSOCIATES, PC
Certified Public Accountants

1401 S. Douglas Blvd., Suite A
Midwest City, OK 73130
Phone: 405-732-1800

March 11, 2023

Mayor Randy Ross
City of Choctaw, Oklahoma
P.O. Box 567
Choctaw, Oklahoma 73020

Mr. Brian Linley
City Manager
City of Choctaw, Oklahoma
P.O. Box 567
Choctaw, Oklahoma 73160

Dear Mayor Ross and Mr. Linley:

We are pleased to confirm our understanding of the services we are to provide for City of Choctaw, Oklahoma for the year ended June 30, 2023.

Audit Scope and Objectives

We will audit the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information, including the disclosures, which collectively comprise the basic financial statements, of City of Choctaw as of and for the year ended June 30, 2023. Accounting standards generally accepted in the United States of America (GAAP) provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement City of Choctaw's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to City of Choctaw's RSI in accordance with auditing standards generally accepted in the United States of America (GAAS). These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient appropriate evidence to express an opinion or provide any assurance. The following RSI is required by GAAP and will be subjected to certain limited procedures, but will not be audited:

1. Management's discussion and analysis
2. Budgetary comparison schedules for the General Fund and any major special revenue funds
3. Pension funding schedules
4. Pension contribution schedules

We have also been engaged to report on supplementary information other than RSI that accompanies City of Choctaw's financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements

themselves, and other additional procedures in accordance with GAAS, and we will provide an opinion on it in relation to the financial statements as a whole.

1. Combining and individual non-major fund financial statements
2. Debt service coverage schedule
3. Schedule of expenditures of federal awards
4. Schedule of state awards

In connection with our audit of the basic financial statements, we will read the following other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

1. Oklahoma State Report SA&I 2643
2. Sinking Fund Estimate of Needs

The objectives of our audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and issue an auditor's report that includes our opinions about whether your financial statements are fairly presented, in all material respects, in conformity with GAAP, and report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment of a reasonable user made based on the financial statements. The objectives also include reporting on:

- Internal control over financial reporting and compliance with provisions of laws, regulations, contracts, and award agreements, noncompliance with which could have a material effect on the financial statements in accordance with *Government Auditing Standards*.
- Internal control over compliance related to major programs and an opinion (or disclaimer of opinion) on compliance with federal statutes, regulations, and the terms and conditions of federal awards that could have a direct and material effect on each major program in accordance with the Single Audit Act Amendments of 1996 and Title 2 U.S. *Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

Auditor's Responsibilities for the Audit of the Financial Statements and Single Audit

We will conduct our audit in accordance with GAAS; the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the Single Audit Act Amendments of 1996; and the provisions of the Uniform Guidance, and will include tests of accounting records, a determination of major program(s) in accordance with Uniform Guidance, and other procedures we consider necessary to enable us to express such opinions. As part of an audit in accordance with GAAS and *Government Auditing Standards*, we exercise professional judgment and maintain professional skepticism throughout the audit.

We will evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management. We will also evaluate the overall presentation of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3)

misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the government or to acts by management or employees acting on behalf of the government. Because the determination of waste and abuse is subjective, *Government Auditing Standards* do not expect auditors to perform specific procedures to detect waste or abuse in financial audits nor do they expect auditors to provide reasonable assurance of detecting waste or abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is an unavoidable risk that some material misstatements or noncompliance may not be detected by us, even though the audit is properly planned and performed in accordance with GAAS and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements or on major programs. However, we will inform the appropriate level of management of any material errors, any fraudulent financial reporting, or misappropriation of assets that come to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. We will include such matters in the reports required for a Single Audit. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

We will also conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the government's ability to continue as a going concern for a reasonable period of time.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, tests of the physical existence of inventories, and direct confirmation of receivables and certain assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will also request written representations from your attorneys as part of the engagement.

We have identified the following significant risks of material misstatement as part of our audit planning:

- 1) Management override of controls
- 2) Improper revenue recognition

We may, from time to time and depending on the circumstances, use third-party service providers in serving your account. We may share confidential information about you with these service providers but remain committed to maintaining the confidentiality and security of your information. Accordingly, we maintain internal policies, procedures, and safeguards to protect the confidentiality of your personal information. In addition, we will secure confidentiality agreements with all service providers to maintain the confidentiality of your information and we will take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others. In the event that we are unable to secure an appropriate confidentiality agreement, you will be asked to provide your consent prior to the sharing of your confidential information with the third-party service provider. Furthermore, we will remain responsible for the work provided by any such third-party service providers.

Our audit of financial statements does not relieve you of your responsibilities.

Audit Procedures—Internal Control

We will obtain an understanding of the government and its environment, including internal control relevant to the audit, sufficient to identify and assess the risks of material misstatement of the financial statements, whether due to error or fraud, and to design and perform audit procedures responsive to those risks and obtain evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions,

misrepresentation, or the override of internal control. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

As required by the Uniform Guidance, we will perform tests of controls over compliance to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each major federal award program. However, our tests will be less in scope than would be necessary to render an opinion on those controls and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to the Uniform Guidance.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. Accordingly, we will express no such opinion. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards, *Government Auditing Standards*, and the Uniform Guidance.

Audit Procedures—Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of City of Choctaw's compliance with provisions of applicable laws, regulations, contracts, and agreements, including grant agreements. However, the objective of those procedures will not be to provide an opinion on overall compliance, and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

The Uniform Guidance requires that we also plan and perform the audit to obtain reasonable assurance about whether the auditee has complied with federal statutes, regulations, and the terms and conditions of federal awards applicable to major programs. Our procedures will consist of tests of transactions and other applicable procedures described in the *OMB Compliance Supplement* for the types of compliance requirements that could have a direct and material effect on each of City of Choctaw's major programs. For federal programs that are included in the Compliance Supplement, our compliance and internal control procedures will relate to the compliance requirements that the Compliance Supplement identifies as being subject to audit. The purpose of these procedures will be to express an opinion on City of Choctaw's compliance with requirements applicable to each of its major programs in our report on compliance issued pursuant to the Uniform Guidance.

Other Services

We will also assist in preparing the Sinking Fund Estimate of Needs filed with Oklahoma County, Oklahoma and the Annual Survey of City and Town Finances filed with the Oklahoma State Auditor and Inspector's Office. These nonaudit services do not constitute an audit under *Government Auditing Standards* and such services will not be conducted in accordance with *Government Auditing Standards*. We will perform the services in accordance with applicable professional standards. The other services are limited to the financial statements, schedule of expenditures of federal awards, and related notes services previously defined. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

You agree to assume all management responsibilities for the financial statements, schedule of expenditures of federal awards, and related notes, and any other nonaudit services we provide. You will be required to acknowledge in the management representation letter our assistance with preparation of the financial statements, the schedule of expenditures of federal awards, and related notes and that you have reviewed and approved the financial statements, the schedule of expenditures of federal awards, and related notes prior to their issuance and have accepted

responsibility for them. Further, you agree to oversee the nonaudit services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them.

Responsibilities of Management for the Financial Statements and Single Audit

Our audit will be conducted on the basis that you acknowledge and understand your responsibility for (1) designing, implementing, establishing, and maintaining effective internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, including internal controls over federal awards, and for evaluating and monitoring ongoing activities to help ensure that appropriate goals and objectives are met; (2) following laws and regulations; (3) ensuring that there is reasonable assurance that government programs are administered in compliance with compliance requirements; and (4) ensuring that management and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are also responsible for the selection and application of accounting principles; for the preparation and fair presentation of the financial statements, schedule of expenditures of federal awards, and all accompanying information in conformity with accounting principles generally accepted in the United States of America; and for compliance with applicable laws and regulations (including federal statutes), rules, and the provisions of contracts and grant agreements (including award agreements). Your responsibilities also include identifying significant contractor relationships in which the contractor has responsibility for program compliance and for the accuracy and completeness of that information.

You are also responsible for making drafts of financial statements, schedule of expenditures of federal awards, all financial records, and related information available to us and for the accuracy and completeness of that information (including information from outside of the general and subsidiary ledgers). You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, identification of all related parties and all related-party relationships and transactions, and other matters; (2) access to personnel, accounts, books, records, supporting documentation, and other information as needed to perform an audit under the Uniform Guidance; (3) additional information that we may request for the purpose of the audit; and (4) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence. At the conclusion of our audit, we will require certain written representations from you about the financial statements; schedule of expenditures of federal awards; federal award programs; compliance with laws, regulations, contracts, and grant agreements; and related matters.

Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements of each opinion unit taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the government complies with applicable laws, regulations, contracts, agreements, and grants. You are also responsible for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements that we report. Additionally, as required by the Uniform Guidance, it is management's responsibility to evaluate and monitor noncompliance with federal statutes, regulations, and the terms and conditions of federal awards; take prompt action when instances of noncompliance are identified including noncompliance identified in audit findings;

promptly follow up and take corrective action on reported audit findings; and prepare a summary schedule of prior audit findings and a separate corrective action plan. The summary schedule of prior audit findings should be available for our review on September 1, 2023.

You are responsible for identifying all federal awards received and understanding and complying with the compliance requirements and for the preparation of the schedule of expenditures of federal awards (including notes and noncash assistance received, and COVID-19-related concepts, such as lost revenues, if applicable) in conformity with the Uniform Guidance. You agree to include our report on the schedule of expenditures of federal awards in any document that contains, and indicates that we have reported on, the schedule of expenditures of federal awards. You also agree to [include the audited financial statements with any presentation of the schedule of expenditures of federal awards that includes our report thereon OR make the audited financial statements readily available to intended users of the schedule of expenditures of federal awards no later than the date the schedule of expenditures of federal awards is issued with our report thereon]. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the schedule of expenditures of federal awards in accordance with the Uniform Guidance; (2) you believe the schedule of expenditures of federal awards, including its form and content, is stated fairly in accordance with the Uniform Guidance; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the schedule of expenditures of federal awards.

You are also responsible for the preparation of the other supplementary information, which we have been engaged to report on, in conformity with U.S. generally accepted accounting principles (GAAP). You agree to include our report on the supplementary information in any document that contains, and indicates that we have reported on, the supplementary information. You also agree to [include the audited financial statements with any presentation of the supplementary information that includes our report thereon OR make the audited financial statements readily available to users of the supplementary information no later than the date the supplementary information is issued with our report thereon]. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying and providing report copies of previous financial audits, attestation engagements, performance audits, or other studies related to the objectives discussed in the Audit Scope and Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions for the report, and for the timing and format for providing that information.

Engagement Administration, Fees, and Other

We understand that your employees will prepare all cash, accounts receivable, or other confirmations we request and will locate any documents selected by us for testing.

At the conclusion of the engagement, we will complete the appropriate sections of the Data Collection Form that summarizes our audit findings. It is management's responsibility to electronically submit the reporting package (including financial statements, schedule of expenditures of federal awards, summary schedule of prior audit findings, auditor's reports, and corrective action plan) along with the Data Collection Form to the federal audit clearinghouse. We will coordinate with

you the electronic submission and certification. The Data Collection Form and the reporting package must be submitted within the earlier of 30 calendar days after receipt of the auditor's reports or nine months after the end of the audit period.

We will provide copies of our reports to the Oklahoma State Auditor and Inspector's Office and to the Federal Data Collection Center; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

The audit documentation for this engagement is the property of Dillon & Associates, PC and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Dillon & Associates, PC personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of five years after the report release date or for any additional period. If we are aware that a federal awarding agency, pass-through entity, or auditee is contesting an audit finding, we will contact the party contesting the audit finding for guidance prior to destroying the audit documentation.

Robert S. Dillon is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them. We expect to begin our audit on approximately September 1, 2023.

Our fee for these services will be at our standard hourly rates plus out-of-pocket costs (such as report reproduction, word processing, postage, travel, copies, telephone, etc.) except that we agree that our gross fee, including expenses, will not exceed \$30,500. In addition, our fee for services related to the reports involving the Single Audit will not exceed \$4,500. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. In accordance with our firm policies, work may be suspended if your account becomes 30 days or more overdue and may not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report(s). You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

Reporting

We will issue written reports upon completion of our Single Audit. Our reports will be addressed to governing board of the City of Choctaw. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinions, add a separate section, or add an emphasis-of-matter or other-matter paragraph to our auditor's report, or if necessary, withdraw from this engagement. If our opinions are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or issue reports, or we may withdraw from this engagement.

The *Government Auditing Standards* report on internal control over financial reporting and on compliance and other matters will state that (1) the purpose of the report is solely to describe the scope of testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance, and (2) the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. The Uniform Guidance report on internal control over compliance will state that the purpose of the report on internal control over compliance is solely to describe the scope of testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Both reports will state that the report is not suitable for any other purpose.

We appreciate the opportunity to be of service to City of Choctaw and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the attached copy, and return it to us.

Sincerely,

Dillon & Associates, P.C.

By: Robert S. Dillon

Robert S. Dillon, CPA

RESPONSE:

Acknowledged and agreed on behalf of the City of Choctaw, Oklahoma by:

Governance Signature: _____

Title: _____

Date: _____

Management Signature: _____

Title: _____

Date: _____

PRIVATE DRIVEWAY EASEMENT AGREEMENT
with Covenants and Restrictions

THIS PRIVATE DRIVEWAY EASEMENT AGREEMENT (the Driveway Agreement”) is entered into this day of 2023 (the “Effective Date”) by **CHOCTAW SHOPS LLC, an Oklahoma limited liability company (“Shops”)** , and **CHOCTAW UTILITIES AUTHORITY, a public utility trust (“CUA”)**. Collectively Shops, and CUA shall be referred to herein as the “Parties”. Individually each shall be referred to herein as a “Party”).

RECITALS

A. As of the Effective Date, Shops is the owner of a parcel of land containing approximately Five and 26 hundredths (5.26) acres, in Choctaw, Oklahoma County, Oklahoma (the “Shops Tract”) as more particularly described on Exhibit “A”. CUA is the owner of adjacent tracts of land connecting to the Shops Tract, (the “CUA Tracts”) as more particularly described on Exhibit “B”. The Shops Tract and the CUA Tracts (each of which is sometimes referenced herein as a “Parcel”) are jointly referenced herein as the “Subject Parcel” or “Subject Property” and are more particularly described and set forth on that certain site plan of the development of the Subject Property shown and are fully depicted on Exhibit “C”. Each owner of fee simple title to any Parcel is referenced in this ECR as an “Owner.”

B. Immediately prior to the recordation of this Driveway Agreement, CUA will have conveyed the south eighty feet (80’) of the Shops Tract to Shops, with no other intervening documents.

C. This Driveway Agreement is entered into by the parties in furtherance of CUA interests, pursuant to those certain Grand Blvd. Extension Development Agreements, entered into among CUA, the City of Choctaw, Oklahoma, a Municipal corporation, (the “City”) and Sooner Investment Group, Inc., an Oklahoma corporation, the first dated May 17, 2022 the second dated November 15, 2022, (collectively the “Development Agreement”) providing for the design, permitting, and construction of the “Grand Blvd. Extension” across the CUA Property and the Shops Property (as defined in the Development Agreement) in furtherance of a retail shopping center to be developed on the CUA Property, and in furtherance of the interests of Shops in developing the Shops Property with commercial uses on either side of the land being utilized pursuant to this Driveway Agreement. A copy of the Development Agreement aforementioned is available for inspection within the records of the City.

D. In order to provide for the orderly use and enjoyment of the Subject Property, Shops desires to grant this private Driveway Agreement with covenants and restrictions to benefit Shops and CUA and CUA agrees, to provided certain covenants and restrictions to benefit CUA and Shops, all as more fully described below.

NOW, THEREFORE, in consideration of the deed of land by CUA to Shops as aforesaid and for the purposes set forth above, the parties hereto grant the following easements and impose and place the following restrictions, upon the Subject Property, reserving unto future owners and

lessees of the Subject Property certain rights and privileges, all as more particularly set forth in this Driveway Agreement.

1. **Easement Grants from Shops to CUA.** Shops for itself, its successors and assigns, hereby grants, sells, conveys, assigns and transfers, to CUA, its successors and assigns, and for the benefit of CUA and its successors in title, the following easements:

1.1 **A general easement for cross access for ingress and egress extending between the CUA Tract, along a curve linear path across the Shops Tract to and connecting to the public right of way of Harper Street.** The legal description of the easement is depicted in Exhibit “D” attached hereto and made a part hereof, and is shown in Exhibit “C”. (“Driveway Easement”)

1.2 **A Temporary Easement for Construction Grading of Terrain and Relocation of Utilities, Construction of Paved Roadway.** With respect to that area of Shops Tract, within the Driveway Easement, and those areas adjacent to the Driveway Easement necessary for purposes of road construction, and reasonably used, a limited access easement is granted CUA, for ingress and egress, over and through that area of Shops Tract as necessary to alter the elevations thereof for the purposes of providing proper finished graded field elevations for the construction of improvements on the Driveway Easement, and to redirect and rebuild as needed any utility infrastructure installations necessitated by the proposed development within the Driveway Easement. Any construction, the design of which has not been specifically approved by the Owner of the Shops Tract shall not occur until the owner of the Shops Tract has approved in writing the completed permit ready civil engineering drawings incidental to such construction, such approvals not to be unreasonably withheld. The term of this easement shall end the day the City accepts the roadway constructed within the Driveway Easement as a publicly dedicated street. CUA may assign this easement to any entity or person performing the grading and utility relocation work, and the actual installation of paving, curbs and guttering. Development work of the construction of said paved roadway within the Driveway Easement shall commence as soon as practicable after the Effective Date, and shall continue unabated and without any unreasonable delay until completed. Shops shall execute and deliver to CUA, without cost attributable to Shops, any reasonable documentation required to complete the roadway construction and its dedication as a public street.

2. **Restrictions on Use of Easement.** The Parties shall be bound by the following restrictive covenants as it relates to easements:

2.1 **Private Easements** Until any portion of Driveway Easements are accepted into public dedication by the City, the easements, licenses, rights and privileges established, created and granted hereby will be for the benefit of and restricted solely to the fee simple owners and their assigns of all or any portion of the Subject Property, as their interest as owners may appear, but any such fee simple owner may grant the

privilege or benefit of the easements, licenses, rights or privileges set forth herein only to its tenants, subtenants, agents, guests, invitees and licensees. The easements and rights granted herein will, in no event, be construed to create any right in or for the benefit of the general public. Any Owner of any of the Subject Property, may temporarily block access to its drives in order to cut off any claim or right of the public to gain access thereto by prescriptive easement, provided that such blockage shall not interfere with the regular business activities of any other Owner or its tenants, licensees and guests, and provided, further that such blockage shall continue only for as long as is necessary to cut off the claim or right of the public for such prescriptive easement, and provided, further, that the Owner exercising such right shall give notice to all other Owners affected thereby prior to such blockage.

2.2 **Construction within Easement Areas** No walls, fences or barriers of any sort or kind shall be constructed or erected on the Subject Property, or any portion thereof, which shall prevent the use or exercise of any of the easements granted herein, or the free travel of pedestrians throughout the Subject Property.

3. **Maintenance, Repair and Restoration of Improvements.**

3.1 **Maintenance of Improvements.** Until such time as improvements are accepted in public dedication to the City, except as herein expressly otherwise provided, each CUA shall keep and maintain or cause to be kept and maintained the exterior of all above-grade improvements, and all paved surfaces, as may exist from time to time on Driveway Easement in a good and safe state of repair and in a clean and orderly condition.

4. **Remedies**

1.1 **Unperformed Covenants.** If any Owner should fail to perform any of the covenants to be performed by it pursuant to this Driveway Agreement or fail to make any payment required hereunder (such Owner is referenced herein as the “Defaulting Party”), and such default is not cured within thirty (30) days after any other Owner adversely affected thereby (the “Affected Party”) shall have served notice of such failure upon the Defaulting Party and the other Owners (or if the default is of such character as reasonably to require more than thirty (30) days to cure and the Defaulting Party shall fail to commence to cure the same within such period or shall fail to use reasonable diligence in curing such default thereafter) or, if the failure of the Defaulting Party relates to a matter which in the Affected Party’s judgment reasonably exercised is of an emergency nature and such failure shall remain uncured for a period of forty-eight (48) hours after the Affected Party shall have served upon the Defaulting Party notice of such failure (or such shorter time and even after oral notice if the nature of the emergency shall so dictate), then the Affected Party (or if more than one other Owner shall be so affected, the Affected Party first serving such notice) may at its option, and in its sole discretion as to the necessity therefor, perform any such covenant, or make any such payment. If the Affected Party first serving notice shall fail to commence performance of such covenant

or make such payment within thirty (30) days after the expiration of the above specified period allowed to the Defaulting Party to cure such default, any such other Affected Party shall be entitled to cure the Defaulting Party's default with the same effect as though it had first served such notice. If any Affected Party so performs any of the Defaulting Party's obligations hereunder, the full amount of the cost and expense entailed or the payment so made or the damage so sustained, as the case may be, shall immediately be owing by the Defaulting Party to the Affected Party and the Defaulting Party shall repay to the Affected Party upon demand the full amount thereof with interest at the prime rate from the date of payment. If such repayment shall not be made within thirty (30) days after such demand is made, the Affected Party is hereby granted a lien upon the Parcel or Parcels of the Defaulting Party in the amount of any such payment, together with interest at the default rate thereon, not paid within said 30-day period, and said lien may be enforced by foreclosure proceedings against the Defaulting Party's Parcel or Parcels in accordance with then applicable law. The Affected Party shall have the right to file with the appropriate governmental office or offices a memorandum of lien lis pendens or other notice or notices as may be required by law to give notice of such lien and the amount thereof, said notice or notices to be filed after the expiration of said 30-day period. The lien herein granted shall be prior to and superior to any other liens or encumbrances on the Defaulting Party's Parcel or Parcels arising or attaching from and after the date on which notice of such lien and the amount thereof is filed with the appropriate governmental office or offices. Any such lien shall be and hereby is made subordinate to the lien and operation of any mortgage and any construction or future advances thereunder filed against a Parcel, or portion thereof, prior to the date on which any Affected Party files its memorandum of lien, lis pendens or other lien notice as authorized herein. The option given in this Section is for the sole protection of the Affected Party and its existence shall not release the Defaulting Party from the obligation to perform the terms, provisions, covenants and conditions herein provided to be performed by it or deprive the Affected Party of any legal rights which they may have by reason of any such default.

1.2 **Specific Performance/Injunctive Relief.** The Owners hereto shall have the right to obtain injunctive or other legal or equitable relief as may be available at law or in equity, including, but not limited to specific performance. In no event, however, shall the remedies available, except as expressly provided under this agreement, include the right to close or otherwise restrict access to or use of the common areas by any Defaulting Party, its successors or assigns.

1.3 **Remedies Cumulative.** The rights and remedies reserved in this agreement shall be cumulative and may be pursued individually, collectively or successively by the parties entitled thereto. No right or remedy set forth herein shall be construed to limit, restrict, impair or impede any other rights available to any party at law or in equity. No right or remedy set forth herein shall be construed to abrogate, abridge, modify, impair or impede the rights at common law of any party subject to this agreement.

2. **Covenant of Non-Obstruction.** Except as otherwise expressly provided in this agreement, each party its successors and assigns shall at all times be entitled to free, continuous and unobstructed access over and across the easement areas reserved or granted herein. Notwithstanding anything herein contained to the contrary, each party further covenants that it shall not permit any physical changes to be made to the improvements on its respective Parcel which adversely affect another Owner's use or enjoyment of the easement areas reserved or granted herein.

3. **Indemnification by CUA.** CUA will indemnify Shops and save Shops harmless from and against any and all claims arising from loss, damage or injury to persons or property occurring in, on, or about the Shops Tract unless due to the act or omission of Shops, its agents, employees or contractors.

4. **Amendment to Agreement.** This Agreement may be amended only by a written agreement executed by all Owners of any portion of the Subject Property.

5. **Compliance with Laws.** Any business or activity conducted on the Subject Property shall comply with all applicable laws, regulations and ordinances, including, without limitation, zoning ordinances.

6. **Binding Effect.** The conditions and easements contained in this Agreement are covenants running with the land; they are made by Shops and CUA for the benefit of themselves, their lessees, successors and assigns in title to all or part of the Subject Property, each tenant now or hereafter leasing any part of the Subject Property, and each lender making a loan secured by a mortgage on all or any part of the Subject Property.

7. **Remedies for Breach.** The terms and conditions of this Shops shall be enforceable by any Owner by actions for specific performance or injunction, in addition to any other remedies available at law or in equity.

8. **Private Agreement.** This Agreement shall not be construed to grant any rights to the public in general.

9. **Termination.** Unless otherwise cancelled or terminated, this Shops and all the easements, rights and obligations created hereby shall continue until the Owners of any portion of the Subject Property or their successors in title or assigns agree in writing to terminate this Shops.

10. **Covenants to Run With Land**

. The easements reservations and covenants contained in this Shops are not personal, but are appurtenant to and shall run with the land benefited hereby and will be binding upon and inure to the benefit of the parties hereto and their successors in interest and assigns.

11. **Captions.** The captions herein are inserted only as a matter of convenience and for reference and in no way define, limit or describe the scope or intent of this Shops nor in any way affect the terms and provisions hereof.

12. **Governing Law; Severability.** The laws of the State of Oklahoma shall govern the interpretation, validity, performance and enforcement of this Shops. If any provision of this Shops shall be held to be invalid or unenforceable, the validity and enforceability of the remaining provisions hereof shall not be affected hereby.

13. **Successors and Assigns.** The terms, provisions and covenants of this Shops shall inure to the benefit of and be binding upon (i) all Owners so long as each retains an ownership interest in the fee simple title to all or any portion of the Subject Property; (ii) all Owners' successors and assigns; and (iii) each of their successors, lessees, sublessees and assigns.

Attachments:

Signature Pages with Notary

Lender Ratification

Exhibit A: Legal Description of Shops Tract

Exhibit B: Legal Description of CUA Tracts

Exhibit C: Site Plan

Exhibit D: Legal Description of Driveway Easement

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK,

IN WITNESS WHEREOF, the parties hereto have executed this ECR by authority duly given, as of the day and year first above written.

SHOPS:

CHOCTAW SHOPS LLC, an Oklahoma limited liability company

By: _____
Name: Bob Stearns, Manager
T

Address for Notifications: 2301 West I-44 Service Road, Ste 100, Oklahoma City, OK 73112

Attention: Bob Stearns

STATE OF _____) SS.
COUNTY OF _____)

On the ____ day of _____, 2023, before me personally appeared **Bob Stearns**, On behalf of **Choctaw Shops LLC. (the "Company")** and acknowledged that the foregoing Driveway Agreement was executed as free and voluntary act, for the uses and purposes therein set forth, and as duly authorized by the Company.

My Commission Number: _____

My Commission Expires: _____

Notary Public

CUA:

CHOCTAW UTILITIES AUTHORITY,
An Oklahoma Municipal public trust

By: _____

Name: _____

Title: Chairman of the Board of Trustees

Address for Notification:

P.O. Box 567

Choctaw, Oklahoma 73020

Attention: _____

STATE OF OKLAHOMA) SS.

COUNTY OF OKLAHOMA)

On the ____ day of _____, 2023, before me personally appeared _____ Chairman of the Board of Trustees of CHOCTAW UTILITIES AUTHORITY and acknowledged that the foregoing Declaration of Easements, Covenants and Restrictions Agreement was executed as free and voluntary act, for the uses and purposes therein set forth, and as duly authorized by the Board of Trustees of the public utility trust.

My Commission Number: _____

My Commission Expires: _____

Notary Public

EXHIBIT A

Description of the SHOPS Tract

EXHIBIT B

Description of the CUA Tract

A tract of land lying in the Southwest Quarter of Section Twenty-three (23), Township Twelve (12) North, Range One (1) West of the Indian Meridian, Oklahoma County, Oklahoma being more particularly described as follows: BEGINNING at the northeast corner of Lot 2, Block 2, THE MARKETS AT CHOCTAW SECTION 1, an Addition to the City of Choctaw recorded in Book 74 of Plats, Page 84, said point being North 89°39'46" East a distance of 1843.22 feet and North 00°18'34" West a distance of 599.67 feet distant from the southwest corner of said Southwest Quarter;

THENCE South 89°39'46" West, along the north line of said Lot 2 and Lot 1, Block 2 in said THE MARKETS AT CHOCTAW SECTION 1, a distance of 364.37 feet to the northwest corner of said Lot 1 and a point on the easterly right of way line of Market Boulevard as established by said plat and being a point on a curve; THENCE along said easterly right of way line, the following Two (2) courses:

1. Northerly along a non tangent curve to the left having a radius of 427.91 feet (said curve subtended by a chord which bears North 12°28'47" East a distance of 190.12 feet) for an arc distance of 191.72 feet;
2. North 00°21'21" West a distance of 264.04 feet to the northeast corner of said right of way as established by said plat, being a point on the Road and Utility Easement recorded in Book 12026, Page 1253;

THENCE along said road easement, the following Three (3) courses:

1. South 89°38'39" West a distance of 70.00 feet to a point on the east line of Lot 2, Block 3, THE MARKETS AT CHOCTAW SECTION 2 recorded in Book 72 of Plats, Page 70;
2. North 00°21'01" West, along said east line and said east line extended, a distance of 85.04 feet to a point on the south line of that certain tract of land conveyed in Special Warranty Deed recorded in Book 13375, Page 991;
3. North 89°41'56" East, along said Deed line, a distance of 207.97 feet to the southeast corner of said Deed;

THENCE North 04°45'12" East, along the east line of said Deed, a distance of 184.86 feet to a point on the north line of the South Half of said Southwest Quarter;

THENCE North 89°41'56" East, along said north line, a distance of 371.29 feet to a point on the Agreed-To Boundary line as previously established;

THENCE South 00°57'42" East, along said Agreed-To Boundary line, a distance of 947.95 feet to a point on the north line of Lot 1, Block 5, THE MARKETS AT CHOCTAW SECTION 3, recorded in Book 74 of Plats, Page 86;

THENCE South 89°39'46" West, along the north line of said Lot 1, a distance of 110.93 feet to a point on the right of way line of Dale Stearns Drive as established by said Markets at Choctaw Section 1;

THENCE North 00°20'14" West, along the easterly line of said right of way, a

distance of 30.00 feet;

THENCE North 89°39'46" East a distance of 60.14 feet;

THENCE North 44°40'14" East a distance of 35.39 feet;

THENCE North 00°18'34" West a distance of 174.65 feet;

THENCE South 89°39'46" West a distance of 188.01 feet to the POINT OF BEGINNING.

Said described tract of land contains an area of 370,478 square feet or 8.5050 acres, more or less.

The bearing of North 00°18'34" West as the east line of Lot 2, Block 2, THE MARKETS AT CHOCTAW SECTION 1 as shown on said plat was used as the basis of bearings for this description.

Prepared by: Randall A. Mansfield, Professional Land Surveyor No. 1613
Dodson-Thompson-Mansfield PLLC
20 N.E. 38th Street - OKC, OK 73105
August 18, 2021

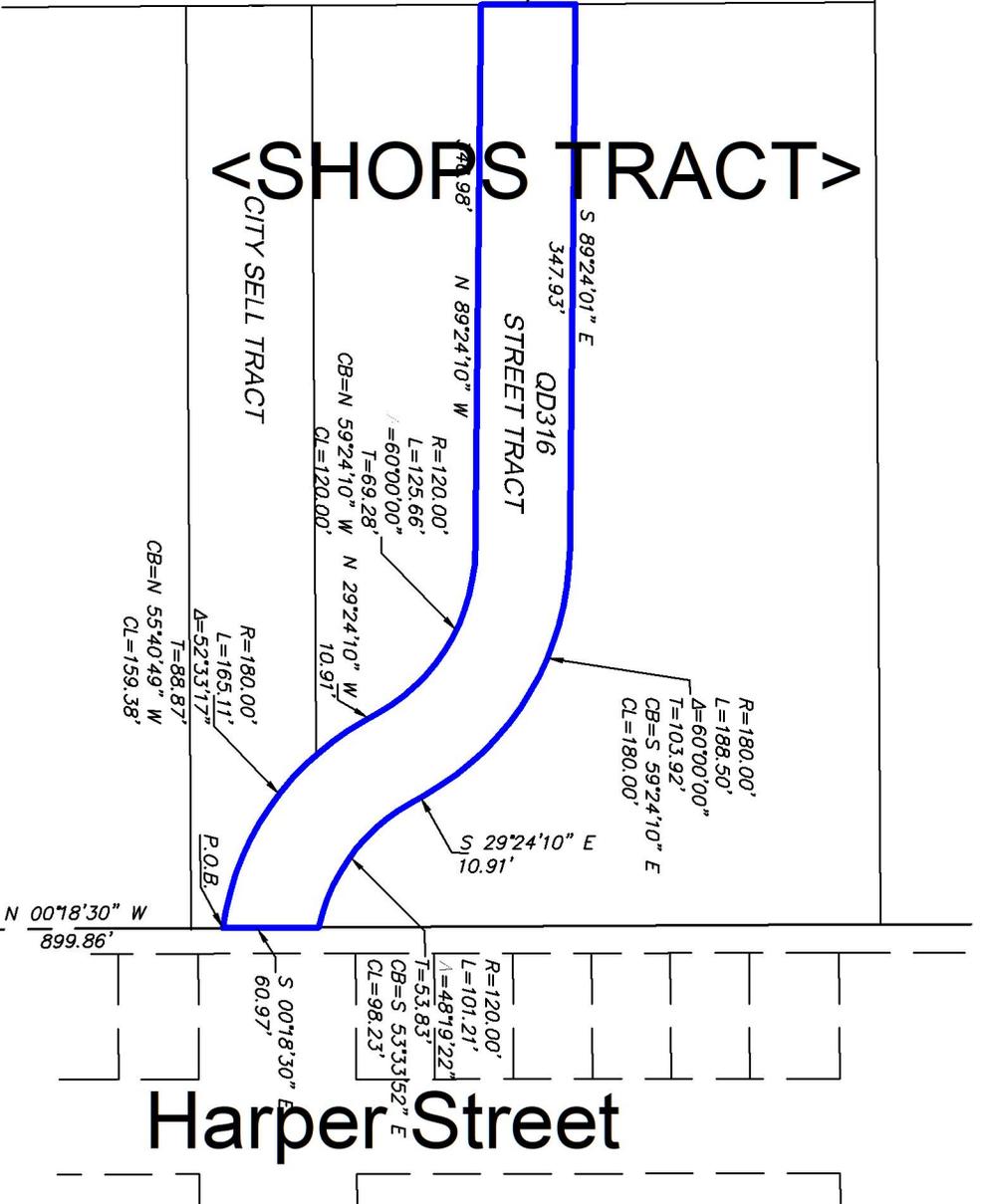
EXHIBIT C

Site Plan of the Subject Property

EXHIBIT C TO DRIVEWAY AGREEMENT

(CUA TRACTS)

SHOPS TRACT



P.O.C.
S.E. CORNER, S.W. QUARTER
SECTION 23, T. 12 N., R. 1 W., 1.M.

QD316 STREET TRACT
EXHIBIT



COWAN GROUP ENGINEERING

7100 N. CLASSEN, SUITE 500 - OKLAHOMA CITY, OK 73116
405-463-9369 (OFFICE) - 405-463-9381 (FAX)
WWW.COWANGROUP.CO
ENGINEERING - SURVEYING
CERTIFICATE OF AUTHORIZATION NO: 6414
EXPIRES JUNE 30, 2024

EXHIBIT D

LEGAL DESCRIPTION OF DRIVEWAY EASEMENT AREA

A tract of land lying in the Southwest Quarter (SW/4) of Section Twenty-three (23), Township Twelve (12) North, Range One (1) West of the Indian Meridian, City of Choctaw, Oklahoma County, Oklahoma being more particularly described as follows:

COMMENCING at the southeast corner of said Southwest Quarter;
THENCE North 00°18'30" West, along the east line of said Southwest Quarter, a distance of 899.86 feet to a point on a curve and the POINT OF BEGINNING;
THENCE Northerly along a non-tangent curve to the right having a radius of 180.00 feet, subtended by a chord which bears North 55°40'49" West a distance of 159.38 feet, for an arc distance of 165.11 feet;
THENCE North 29°24'10" West a distance of 10.91 feet to a point of curvature;
THENCE Northwesterly along a curve to the left having a radius of 120.00 feet, subtended by a chord which bears North 59°24'10" West a distance of 120.00 feet, for an arc distance of 125.66 feet;
THENCE North 89°24'10" West a distance of 346.98 feet;
THENCE North 00°18'34" West a distance of 60.02 feet;
THENCE South 89°24'01" East a distance of 347.93 feet to a point of curvature;
THENCE Southeasterly along a curve to the right having a radius of 180.00 feet, subtended by a chord which bears South 59°24'10" East a distance of 180.00 feet, for an arc distance of 188.50 feet;
THENCE South 29°24'10" East a distance of 10.91 feet to a point of curvature;
THENCE Southeasterly along a curve to the left having a radius of 120.00 feet, subtended by a chord which bears South 53°33'52" East a distance of 98.23 feet, for an arc distance of 101.21 feet to a point on the east line of said Southwest Quarter;
THENCE South 00°18'30" East, along said east line, a distance of 60.97 feet to the POINT OF BEGINNING.

Said described tract of land contains an area of 38,919 square feet or 0.8935 acres, more or less.

The basis of bearings for this legal description was the Oklahoma State Plane Coordinate System (NAD83-North Zone) using a bearing of North 00°18'30" West on the east line of the Southwest Quarter of Section 23, Township 12 North, Range 1 West of the Indian Meridian.

Prepared by: Randall A. Mansfield, Professional Land Surveyor No. 1613
Cowan Group Engineering
7100 N. Classen, Suite 500
Oklahoma City, OK 73116
March 15, 2023