

ECONOMIC DEVELOPMENT AGREEMENT

BY AND AMONG

CSI AEROSPACE, INC

and

**BROKEN ARROW ECONOMIC DEVELOPMENT
AUTHORITY**

and

CITY OF BROKEN ARROW

ECONOMIC DEVELOPMENT AGREEMENT

THIS ECONOMIC DEVELOPMENT AGREEMENT (the “Agreement”) is dated as of the ____ day of _____, 2025, by and between The City of Broken Arrow, a Municipal Corporation, The Broken Arrow Economic Development Authority, an Oklahoma Municipal Trust, and CSI Aerospace, Incorporated, a Florida Corporation, (together with its successors and assigns, the “Company and/or Developer”) who is authorized to do business in Oklahoma.

WITNESSETH:

WHEREAS, The Company is a corporation organized under the laws of the State of Florida.

WHEREAS, The Company is interested in expanding the Company’s Broken Arrow operations by increasing the Company’s current manufacturing capacity through expansion, additional hiring and capital investment.

WHEREAS, the City (as defined below) reasonably expects that the establishment of the Project in the City will increase overall sales tax and property tax revenues of the City.

WHEREAS, a declared goal of the City is to encourage and facilitate economic development within and near the City by attracting and expanding new industry and commercial businesses to the Broken Arrow area, and to promote economic health and expansion of existing industry and commercial businesses within the City.

WHEREAS, the City seeks to promote development in this area in order to retain and expand employment, enhance the tax base, stimulate economic growth, improve the quality of life in the City, and strengthen the community.

WHEREAS, the City also recognizes that the Project (as defined below) and its operations will have additional direct and indirect economic benefits within and near the City, in Tulsa County and in the State of Oklahoma through, including without limitation, diversifying the local economy, providing economic stimulus for additional employment and other development, and

predicating and/or providing training and employment opportunities in manufacturing, sales and management skills.

WHEREAS, it is estimated that, upon undertaking the expansion, the Company will create approximately 50 new full-time jobs having a total compensation package of \$50,000, over 5 years, once the facility is fully constructed and operational.

WHEREAS, the Company will invest a minimum amount of \$5,500,000.00 as a capital contribution to allow for expansion of approximately 40-50,000 square feet for their manufacturing facility. The Company shall also invest a minimum of \$600,000.00 in additional equipment and machinery over the period starting at the execution of this agreement and to include the 5-year period after full construction of the facility.

WHEREAS, the Project is expected to deliver significant economic benefits to the City of Broken Arrow. It is anticipated that the project will procedure a total economic output of approximately \$26.5 million. That along with the retention of 108 full-time employees, an additional 50 full-time employees, having a total compensation package of \$50,000.00. will be added by the Company.

WHEREAS, the Project is expected to create a direct, indirect and induced employment benefit of approximately 112 new jobs, generating approximately \$9.4 million in labor income, contributing \$10.8 million to the Gross Domestic Product, and resulting in approximately \$2.1 million in tax revenues for the City, State and Federal governments.

WHEREAS, the City recognizes it would be beneficial to the public and would help facilitate the construction of additional facilities and addition of full-time employees at the Project Site if the City were to assist in providing incentives to the Company pursuant to the City's incentive policy; and

WHEREAS, implementation of this Agreement, which is reasonably expected to facilitate the realization of the aforesaid economic benefits to the City and general area, would otherwise be difficult or impractical without certain development incentives, and apportionments and appropriations for such purposes of certain City sales tax revenues, other forms of public assistance and the involvement the City; and

WHEREAS, the City deems it appropriate to approve the execution and delivery of this Agreement in the interest of providing for the implementation of the Project and have determined such actions are in the best interests of the City and the health, safety, and welfare of the City and residents within and near the City;

NOW, THEREFORE, in consideration of the covenants and mutual obligations herein set forth and other consideration, the sufficiency of which the parties hereby acknowledge, the parties hereto hereby covenant and agree as follows:

ARTICLE I

DEFINITIONS

"Agreement" and such terms as "herein," "hereof," "hereto," "hereby," "hereunder," and the like shall mean and refer to this Agreement, and any and all permitted supplements, modifications and/or amendments hereto.

"Company/Developer" shall mean CSI Aerospace, Incorporated, a Florida Corporation approved to do business in the State of Oklahoma and is currently in good standing with the State of Oklahoma, and its affiliates.

"City" shall mean Broken Arrow Economic Development Authority ("BAEDA"), an Oklahoma Municipal Trust, of which the City of Broken Arrow is beneficiary, and, as the case may be, shall mean and refer to such agency, department or instrumentality of the City as may have, or shall have been charged with, primary responsibility for any given Agreement-subject activity.

"Construction Plans" shall mean such architectural and engineering drawings, plans, specifications, and other documentation as may be reasonably necessary to describe the nature, scope, materials, quality, quantity, and other information requisite for the construction and fitting of improvements and/or structures included, or to be included, within the Project, which shall be subject to the City's normal and customary review and approval as part of the City's permitting process.

"Completion Date" shall mean the date by which all construction on the Project Site is completed by the Company.

"County Wage" shall mean the average wage for Tulsa County according to the 2023 Bureau of Labor Statistics totaling \$55,440.00.

"Project" shall mean development of the Project Site and either constructing, or causing to construct, square footage to the facility in a total approximate amount of 40,000 square feet for both indoor and outdoor expansion and an additional estimate of 50 new full-time jobs. Failure to add at least 10 Full time employees during the term of this Economic Development Agreement shall disqualify the Company for the jobs related incentives per the policy of the City of Broken Arrow.

"Project Site" shall mean a tract of land consisting of 10 acres, more or less, located at NW/4 in Block 4, Section 33, Township 18 North, Range 14 East of the Indian Base and Meridian, Broken Arrow, OK, within the City. The Legal Description of the land is attached hereto as shown on *Exhibit A* and incorporated by reference.

"State Competitive Contracting Requirements" shall mean the Public Competitive Bidding Act, Title 61, O.S.A., sections 101, *et seq.*, together with all other applicable statutory requirements pertaining to the advertising, selection and award of contracts pursuant thereto and including all contractual, bonding and insurance requirements pertaining to such contracts.

ARTICLE II
NATURE OF THIS AGREEMENT

2.1 Scope of the Project. The Project constructed at and on the Project Site shall be developed, constructed and landscaped in conformity with the City's Zoning Ordinances and Building and Land Subdivision Codes, and the Engineering Design Criteria Manual.

The parties understand, acknowledge and agree that the Company shall be solely responsible for constructing and completing or causing the construction or completion of any and all improvements to the Project Site, except as specifically provided herein.

2.2 Relationship of the Parties. The undertakings of the parties under this Agreement require the mutual cooperation of the parties and their timely actions on matters appropriate and/or necessary to fully implement the provisions hereof. The parties agree to exercise diligent, best and good faith efforts in performing and assisting one another, and requisite third parties, in performing their respective obligations under and/or relating to this Agreement, specifically including, without limitation, the performance obligations hereinafter set forth in Articles III and IV hereof.

ARTICLE III
OBLIGATIONS OF THE BROKEN ARROW ECONOMIC DEVELOPMENT
AUTHORITY/CITY OF BROKEN ARROW

3.1 Incentives provided to Company

A. Land Grant

BAEDA/City shall grant 10 acres of land valued at \$850,000.00 to the Company for the purposes of company constructing or causing to construct and operation or causing to operate an approximately 40,000 sq. ft. manufacturing facility located in the City of Broken Arrow's Innovation District. Said legal description is attached as "Exhibit A". A Contract for Purchase and Sale shall be executed contemporaneously herewith. Said Contract contains additional terms and conditions for closing the land grant and all terms and conditions contained in the contract for purchase and sale shall be incorporated herein in all respects. In the event the Company does not complete construction pursuant to the terms herein, said land shall be returned to the granting party via General Warranty Deed, free and clear of any mortgages, liens or clouds on title as set forth in Section 4.3.

B. Incentive Payments to Company for Job Creation.

The Company currently has 108 employees on payroll. The Company shall create an estimate of fifty (50) additional new full-time jobs located at the Company's Broken Arrow location no later than December 2031. A "New Full Time Job" shall be a newly created position, created after the execution of this Agreement, having a minimum of thirty-five (35) work hours per week, performed at the Broken Arrow location. The obligations set forth in this Section shall terminate on the five (5) year anniversary of the opening of the new facility.

(1). The incentive paid by BAEDA to the Company for a "New Full-Time Job" created hereunder shall be as follows:

- (a) The Authority shall pay to the Company the sum of \$1,000.00 per job having total compensation of \$50,000.00;
- (b) The Authority shall pay the Company the sum of \$2,000.00 per job having total compensation over 100% of the average Tulsa County wage;
- (c) The Authority shall pay the Company the sum of \$3,000.00 per job having total compensation over 110% of the average Tulsa County wage;
- (d) The Authority shall pay the Company the sum of \$4,000.00 per job having total compensation of 125% of the average Tulsa County wage;
- (e) The Authority shall pay the Company the sum of \$5,000.00 per job having total compensation over 125% of the average Tulsa County Wage.

(2). Repayment for Jobs Incentives. The Company shall be responsible for notifying City of Broken Arrow Finance Department of the fulfillment of the required jobs hereunder and shall be responsible for submitting any documentation required by the City Finance Department. Said reimbursements shall be made within 60 days of the remission of all required documents. Said payments for the jobs incentive shall in no event exceed a total of \$500,000.00.

- 1. OES-3 reports shall be submitted to the City each quarter for the entirety of this Agreement.
- 2. As of the date of this Agreement, the Company has 108 full-time employees ("Starting Payroll") at its Broken Arrow manufacturing facility. Should the total number of full-time employees at the Company's Broken Arrow facility fall below the Starting Payroll or required numbers as listed herein, all payments from BAEDA shall temporarily be suspended until such time as such threshold is met.

3. If the total number of full-time jobs at the Company's Broken Arrow facility falls below the Starting Payroll for more than two consecutive quarters, the Company shall repay all incentives received pursuant to Section 3.1(B)(1) within 90 days of written demand by BAEDA.
4. The Company shall provide basic health insurance coverage to employees and employees premium cost shall not exceed 50% of the total cost of the premium.

C. Waiver of Permitting Fees

The Authority shall reimburse the Company permitting fees not to exceed \$28,316.50. Said reimbursement shall be made upon the Company receiving the Certificate of Occupancy for the property and submission of the required paperwork to the City Finance Department. The Authority shall make the reimbursement no later than 60 days after submission of all required documents.

3.2 Infrastructure Improvements. The City shall construct or cause to construct as follows:

(a). The City shall construct a spine road providing primary access to the site. While timing of construction shall be at the City's sole discretion, it is anticipated that construction of the spine road shall be approximately July 2025 and shall be completed by approximately December 2025;

(b). The city shall construct water and sanitary connections to the site boundary. While the timing of construction shall be at the City's sole discretion, it is anticipated that construction of the water and sewer connections shall be August 2025 and shall be completed approximately October 2025.

To the extent that any infrastructure improvements are made on or in public rights of way or any other lands owned by the City, title to the same, upon the completion thereof, shall vest in the City, and the Company shall furnish to the City all requested instruments of release or conveyance necessary to perfect the City's title thereto, provided such instruments are in a form reasonably acceptable to the Company.

3.3 Incentives subject to annual appropriations. Due to the term of this agreement being in excess of one year, in the event the BAEDA does not appropriate funds in a given fiscal year for payments due or expenditures under this Agreement, the BAEDA shall not be liable to the Company for such payments or expenditures unless and until appropriation of the necessary funds is made; provided, however, that the Company, in its sole discretion, shall have the right, but not the obligation, to terminate this Agreement and shall have no obligations under this Agreement for the year in which the City does not appropriate the necessary funds. For the avoidance of doubt, the Company would not need to repay BAEDA for incentives received

under this Agreement if BAEDA does not appropriate funds in a given fiscal year and decides to terminate this Agreement.

3.4 BAEDA Maximum Incentive Obligation. BAEDA's total maximum incentive obligation to the Company under this Agreement shall not exceed \$1,378,316.00 including all of the items listed in the Economic Development Agreement.

ARTICLE IV **OBLIGATIONS OF COMPANY**

4.1 Development of Project. The Company agrees to construct and equip or cause to be constructed and equipped, the Project Site in accordance with the Construction Plans, as follows:

- (a) At its sole cost, excluding any incentives from the Authority or City as listed herein, to develop, construct or cause to be constructed, and operate or cause to operate of an approximate 40,000 sq. ft. manufacturing facility. Said construction shall commence within 90 days from completion of City's obligations set forth in Section 3.2(b) and shall be completed within 540 days from commencement, subject to Section 6.10 and any extensions approved by the City, such approval not to be unreasonably withheld ;
- (b) Add an additional 50 new full-time jobs having a minimum total compensation of \$50,000.00 within five (5) years from the opening of the new manufacturing facility;
- (c) The Company shall be responsible for extending the water and sanitary sewer from the boundary of the site to the manufacturing facility. within 90 days from completion of City's obligations set forth in Section 3.2(b) and shall be completed within 540 days from commencement, subject to Section 6.10 and any extensions approved by the City, such approval not to be unreasonably withheld;
- (d) The Company shall invest a minimum of \$5,500,000 in construction costs, \$600,000 equipment and machinery over the period starting at the execution of this agreement and to include the 5 years after opening of the manufacturing facility and shall provide the City with all receipts and proof of the investment as stated herein to qualify for payment of incentives by BAEDA.
- (e) To qualify for the incentives outlined herein:

- i. Qualifying New Full-Time Jobs created must be within Broken Arrow city limits and must meet or exceed a total annual compensation package of \$50,000.00 per year.
 - ii. The Company shall provide a report to the City of Broken Arrow Finance Department no later than June 30 of the current fiscal year showing the number of new hires, salary of the new hire and title of position held. The company further agrees to cooperate and provide any documentation requested by BAEDA or City of Broken Arrow Finance Department to fulfill this requirement. All requests from BAEDA or City of Broken Arrow Finance Department shall be reasonable in scope. The parties acknowledge that no payment shall be made by BAEDA until all required paperwork is submitted by the Company pursuant to this paragraph.
- (f) Should the total number of jobs fall below the Starting Payroll or required numbers as listed herein, all payments owed by BAEDA shall temporarily suspend until the required threshold is satisfied.
- (g) If the total number of jobs falls below the Starting Payroll of this Agreement for more than two consecutive quarters within five (5) years from the opening of the new manufacturing facility, the Company shall repay all incentives previously received pursuant to Section 3.1(B)(1) within 90 days of written demand by BAEDA.
- (h) The Company shall be required to present a quarterly update to the Economic Development Director, and if requested, make a presentation to the City/BAEDA regarding progress.

4.2 Right-of-way and Easements. At its sole cost, the Company shall dedicate right-of-way, utility easements and other reasonably necessary easements within the Project Site shown on and in accordance with the Master Site Plan and the City's Zoning, Building, Land Subdivision Code and Engineering Design Criteria Manual. These dedications shall be accomplished by deeds drafted by the City Engineer for the pertinent rights of way, easements or other necessary conveyances. All other dedications may be accomplished through the platting process.

4.3 Performance and Claw Back. In the event the Project is not constructed by the Company within the time allotted herein, the BAEDA, following thirty (30) days' written notice to Company and Company's failure to cure the same, may terminate this Agreement and all of the terms and conditions hereof upon written notice to the Company, and, in such case, this Agreement shall no longer be of any force and effect as between the parties. Furthermore, the Company shall repay to the BAEDA any and all incentives received, or fees waived by the City

within 90 days of written request. The parties acknowledge that time is of the essence for purposes of this Agreement in all respects. In addition, within 90 days of written request, the Company shall return the land previously granted to it by the City, via General Warranty Deed, free from any mortgages, liens or clouds on title.

ARTICLE V

CONSTRUCTION AND INDEMNIFICATION PROVISIONS

5.1 **Construction Plans and Contracts.** Prior to commencement of any construction on the Project Site, the Company (or other party undertaking construction of building improvements) shall furnish the Construction Plans to the City, for the City's normal and customary review and approval as part of the City's permitting process. The parties agree to cooperate and to use their respective best efforts to secure whatever assistance and approvals may be required from third parties in order to facilitate the preparation for and the course of such construction.

5.2 **Indemnification.** It is understood and agreed between the parties that the Company is performing its obligations hereunder independently, and the City assumes no responsibility or liability in connection therewith to third parties, and the Company agrees to indemnify and hold harmless the City, and its respective officers, agents and employees, from and against any and all claims, lawsuits, judgments, costs and expenses for personal injury (including death), property damage, or other harm for which recovery of damages is sought, suffered by any person or persons that may arise out of or be occasioned by any of the terms or provisions of this Agreement, or by any negligent act or omissions of the Company or its officers, agents, associates, employees, or contractors, in the performance of the Company's obligations under this Agreement, except to the extent any of the aforementioned is caused by the City's negligence, breach of this Agreement or willful misconduct. The provisions of this Section 5.2 are solely for the benefit of the parties hereto and are not intended to create or grant any rights, contractual or otherwise, to any other person or entity.

ARTICLE VI

GENERAL PROVISIONS

6.1 **Nondiscrimination.** The Company agrees not to discriminate on the basis of race, color, religion, gender, or national origin in the sale, lease, or rental or in the use or occupancy of the Project Site, the Project or any related facilities in violation of applicable law or regulation.

6.2 **Conflict of Interest; Representatives not individually Liable.** No official or employee of the City shall have any personal interest in or under this Agreement, nor shall any person voluntarily acquire any ownership interest, direct or indirect, in any legal entity which is a party to this Agreement. No official or employee of the City shall be personally liable to the Company in the event of any default or breach by the City.

6.3 **Applicable Law, Severability and Entire Agreement.** This Agreement shall be governed

by and construed in accordance with the laws of the State governing agreements made and fully performed in Oklahoma. If any provisions of this Agreement or the application thereof to any persons or circumstances shall, to any extent, be invalid or unenforceable, then the remainder of this Agreement or surviving portion(s) of such provision, and each other provision of this Agreement, shall be valid and enforceable to the fullest extent permitted by law. This Agreement sets forth the entire understanding between the City and the Company with respect to the subject matters of this Agreement, there being no terms, conditions, warranties or representations with respect to the subject matter other than as contained herein.

6.4 Third Parties. Except as expressly provided otherwise in this Agreement, the provisions of this Agreement are for the exclusive benefit of the parties hereto and not for the benefit of any other persons, as third-party beneficiaries or otherwise, and this Agreement shall not be deemed to have conferred any rights express or implied, upon any other person.

6.5 No Partnership Created. This Agreement specifically does not create any partnership or joint venture between the parties hereto or render any party liable for any of the debts or obligations of any other party.

6.6 Formalities and Authority. The parties hereto represent and warrant that they are validly existing and lawful entities with the power and authorization to execute and perform this Agreement. The headings set forth in this Agreement are for convenience and reference only, and in no way define or limit the scope or content of this Agreement or in any way affect its provisions.

6.7 Notices and Demands. Any notice, demand, or other communication under this Agreement shall be sufficiently given or delivered when it is deposited in the United States mail, registered or certified mail, postage prepaid, return receipt requested, or delivered personally, as follows:

To the Company:

Attn: General Manager
CSI Aerospace
2020 W Detroit St
Broken Arrow, OK 74012

With copies to:

HEICO Aerospace Corporation
3000 Taft Street
Hollywood, FL 33021

To the City:

City Manager
The Broken Arrow Economic Development Authority
P. O. Box 610
220 South First
Broken Arrow, Oklahoma 74012

With copies to:

City Attorney
City of Broken Arrow, Oklahoma
P. O. Box 610
Broken Arrow, Oklahoma 74012

or to such other address, within the United States, with respect to a party as that party may from time to time designate in writing and forward to the others as provided in this Section. A copy of any notice, demand or other communication under this Agreement given by a party under this Agreement to any other party under this Section shall be given to each other party to this Agreement.

6.8 Binding Effect. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective legal representatives, successors and assigns.

6.9 Modifications. This Agreement cannot be changed orally, and no executory agreement shall be effective to waive, change, modify or discharge it in whole or in part unless such executory agreement is in writing and is signed by the parties against whom enforcement of any waiver, change, modification or discharge is sought.

6.10 Unavoidable Delays. The time for performance of any term, covenant, condition, or provision of this Agreement shall be extended by any period of unavoidable delays. In this Agreement, "unavoidable delays" shall mean any delay beyond the reasonable direct or indirect control of the party obligated to perform the applicable term, covenant, condition, or provision under this Agreement and shall include, without limiting the generality of the foregoing, delays attributable to acts of God, strikes, labor disputes, unusual or extreme weather, pandemic, epidemic, quarantine, material shortages, delays or price increases, tariffs, embargoes, governmental restrictions, court injunctions, riot, civil commotion, acts of public enemy, delays in issuance of required permits or approvals, delays in required inspections, and casualty, and shall not include any delays attributable to financial difficulties; *provided*, the assertion of any unavoidable delay shall be subject to the asserting party first giving written notice to the other parties of its claim thereof and thereupon and forthwith diligently and in good faith undertaking all reasonable efforts to overcome the conditions leading to or causing such delay.

6.11 Further Assurances. Each party agrees that it will, without further consideration, execute and deliver such other documents and take such other action, whether prior or subsequent to the consummation of the matters or completion of the undertakings set forth herein, as may be reasonably requested by any other party to consummate more effectively the purposes or subject matter of this Agreement.

6.12 Attorneys' Fees. In the event of any controversy, claim or dispute between the parties affecting or relating to the subject matter or performance of this Agreement, the prevailing party shall be entitled to recover from the non-prevailing party all of its reasonable expenses, including reasonable attorneys' fees as determined by Oklahoma law.

6.13 Counterparts. This Agreement may be executed in several counterparts, and all such executed counterparts shall constitute the same agreement. It shall be necessary to account for only one such counterpart in proving this Agreement.

6.14 BAEDA/City Limited Liability. The obligations of the BAEDA arising under or by virtue of this Agreement shall be limited and shall not exceed the total amount of incentives as listed herein. Said incentive payments shall be the sole remedy for the Company in case of a breach by BAEDA.

6.15 Construction of this Agreement. Each party hereby acknowledges that it and its legal counsel have reviewed and, as the case may be, revised this Agreement and that the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Agreement or any exhibits or amendments hereto.

6.16 Jurisdiction and Venue. This Agreement shall be interpreted under the laws of the State of Oklahoma. That any lawsuit or challenge to this agreement shall be commenced and maintained in the District Court of Tulsa County, State of Oklahoma.

IN WITNESS WHEREOF, the each of the parties has caused this Agreement to be executed by its duly authorized official(s), as of the date first above written.

CITY OF BROKEN ARROW,
a municipal corporation,

ATTEST: (SEAL)

By: _____
Mayor

By: _____
City Clerk

BROKEN ARROW ECONOMIC DEVELOPMENT AUTHORITY,
a municipal trust,

ATTEST: (SEAL)

By: _____
Chairperson

By: _____
Secretary

Approved as to form:

By: _____
Deputy City Attorney

CSI Aerospace Incorporated
a Florida corporation

By: _____
Name: _____
Title: _____