

Lease Agreement

This Lease Agreement ("Lease") is made and effective _____, 2021, by and between CITY OF ARDMORE OKLAHOMA ("Lessor") and the ARDMORE PUBLIC WORKS AUTHORITY, A PUBLIC TRUST ("Lessee" or "APWA").

Lessor is the owner of land and improvements commonly known as HFV Wilson Center located at 625 E. Main Ardmore Oklahoma 73401. (LEASED PREMISES) The legal description of the LEASED PREMISES is attached hereto as exhibit A. Lessee is a public trust created under 60 Oklahoma Statutes Sections 176, et. seq. with the City of Ardmore as sole beneficiary of the Trust. To facilitate operation, maintenance and public use of the LEASED PREMISES the City Commission of the City of Ardmore has determined it necessary and expedient to transfer possession and responsibility for the LEASED PREMISES to the Ardmore Public Works Authority.

Lessor desires to lease the LEASED PREMISES to Lessee and Lessee desires to lease the LEASED PREMISES from Lessor for the term, at the rental and upon the covenants, conditions and provisions herein set forth.

THEREFORE, in consideration of the mutual promises herein, contained and other good and valuable consideration, it is agreed:

1. **Term.** The term of the Lease Agreement shall begin on July 1, 2021, and ends on the 30th day of June, 2026 ("Primary Term"). Unless either Lessee or Lessor provides 90 days written notice of intent not to renew then this Lease will continue with an additional five (5)-year extension (five (5)-year period hereinafter referred to as an "Extension Term"), unless this agreement is terminated pursuant to terms herein. The terms and conditions applicable during any Extension Term shall be the same as the

terms included herein.

2. **Rent.** Lessee shall pay to Lessor rent during the initial term and during any renewal period of the Lease the sum of Ten Dollars (\$10.00), per year, payable on July 1 of each year.

3. **Use.** Lessee shall use the LEASED PREMISES for the purposes of operating recreational and public service functions, providing activities related to youth programs and recreation, education and community awareness. Lessee shall not use the LEASED PREMISES for any other purpose except by written consent of Lessor. The City Commission of the City of Ardmore determines that the use of the property by the Trust constitutes a public purpose in serving the citizens of the City of Ardmore. In using the LEASED PREMISES, Lessee shall comply with all applicable federal laws, laws of the State of Oklahoma and all applicable ordinances and regulations of Carter County and Lessor.

4. **Sublease and Assignment.** Lessee shall not sublease all or any part of the LEASED PREMISES or assign this Lease, in whole or in part, without the written consent of Lessor. Lessor hereby consents to a sub-lease of the premises to HFV Wilson Community Center Trust Authority by the Lessee.

5. **Utilities.** Lessee shall contract for and pay all charges for utility services at the LEASED PREMISES including, but not limited to, sewer, gas, electricity, water, natural gas, garbage, trash, telephone and other services and utilities as may be used by Lessee on the LEASED PREMISES unless otherwise expressly agreed in writing by Lessor and the Lessee.

6. **Entry.** Lessor shall have the right to enter upon the LEASED PREMISES at reasonable hours to inspect the same, provided Lessor shall not thereby unreasonably interfere with Lessee's or any Sub-Lessee's business on the LEASED PREMISES.

7. **LEASED PREMISES Rules.** Lessee will comply with the rules of the LEASED PREMISES adopted and/or altered by Lessor from time to time and will cause all of its agents, employees,

invitees and visitors to do so. All changes to such rules will be sent by Lessor to Lessee in writing. Lessee shall not conduct or permit any activities on the LEASED PREMISES which violate any federal, state or local laws. Storage of any combustible materials will be subject to approval by the Ardmore Fire Department.

8. Repairs. Lessee shall at its own expenses make all necessary repairs to the Premises. Such repairs shall include routine repairs of floors, walls, ceilings, and other parts of the LEASED PREMISES damaged or worn through normal occupancy, except for major mechanical systems or the roof, subject to the obligations of the parties otherwise set forth in this Lease.

9. Indemnity. Lessee shall indemnify Lessor against, and hold Lessor harmless from, any and all claims, actions, suits, proceedings, costs, expenses, damages and liabilities, including reasonable attorney's fees and costs, arising out of, connected with, or resulting from Lessee's use of the Premises, including without limitation the selection, delivery, possession, use, operation, or return of the Premises. Lessee shall provide proof of liability insurance during the term of the Lease, including any extensions of the Lease in an amount equal to or greater than the coverage Governmental Tort Claims Act as set forth in paragraph below.

10. Lease Authority. This lease is entered into between Lessor and Lessee at a nominal lease amount in order to provide support for HFV Wilson Center which provides recreational and cultural services to the community as a public purpose.

11. Non-Discrimination. Lessee represents and agrees it is Lessee's policy, and shall remain Lessee's policy, to operate the LEASED PREMISES so as not to discriminate against any employee or applicant for employment or any person or entity utilizing the LEASED PREMISES or utilizing any programs offered at the LEASED PREMISES, because of race, creed, color, religion, sex, sexual orientation, gender identity, national origin, age, citizenship

status, veteran status or disability

12. Notices. Any notice or other communication to be given under this Agreement shall be in writing and shall be sent to the parties at the following addresses:

Lessee:
Ardmore Public Works Authority, a public trust
PO Box 249
Ardmore, OK 73402
c/o General Manager

Lessor:
City of Ardmore, OK
PO Box 249
Ardmore, OK 73402
c/o City Manager

13. Capital Improvement Responsibilities. Lessee shall be responsible for (a) the day-to-day operating costs, janitorial costs and general clean up expenses for the LEASED PREMISES; (b) day-to-day maintenance of the LEASED PREMISES; and (c) capital maintenance expenses such as painting, interior and exterior doors and locks, glass breakage and routine roof repair. Lessee shall be responsible for capital improvements necessary to keep the LEASED PREMISES in the same condition as when completed by Lessor, ordinary wear and tear excepted. Lessor shall provide continuous all risks casualty and extended coverage insurance on the premises with coverage amount of full replacement value. Claims proceeds will be used by Lessor for any repairs necessitated by casualty loss as provided herein. Lessor's responsibility for capital improvements shall include, without limitation, capital improvements to all of the building, parking areas, outdoor lighting and sidewalks, including repair of any structural defect (both interior and exterior)

14. Redecoration and Remodeling. During the Initial Term or any Extended Term, Lessee, at its sole expense and subject to the prior approval of Lessor, which approval shall not be

unreasonably withheld, shall have the right and privilege to perform nonstructural redecoration and remodeling to the LEASED PREMISES from time to time as it will see fit so long as such actions do not impair the structural soundness nor diminish the value of the Leased Property. Ordinary maintenance items, including, but not limited to, painting, installation of lights, shelving, partitions, fixtures, signs and other improvements in, upon and about the LEASED PREMISES, as in Lessee's judgment may be necessary or desirable in the conduct of its operation, shall not be subject to prior approval by Lessor.

15. Definitions. For the purposes of this Lease, and as used elsewhere in this Lease Agreement, the following words and terms shall have the following meanings: (i) "day-to-day operating costs" shall mean and refer to all daily expenses related to using or conducting business on the LEASED PREMISES; (ii) "day-to-day maintenance" shall mean and refer to all actions necessary for the daily upkeep of the LEASED PREMISES; (iii) "capital expenses" shall mean and refer to all expenses necessary to provide a "capital improvement" or "capital improvements" to the LEASED PREMISES; and (iv) "capital improvement" or "capital improvements" shall mean and refer to permanent, long-term betterments of the LEASED PREMISES, including, without limitation, roof replacement, heat and air conditioning replacement, major plumbing repairs or replacement.

16. Insurance.

16.1 Before this Lease Agreement may become effective, Lessee shall provide Lessor with a certificate of insurance evidencing Lessee's coverage for Lessee's personal property on the LEASED PREMISES.

16.2 Prior to its occupancy of the LEASED PREMISES, the Lessee shall obtain and furnish to Lessor current copies of certificates of insurance as set forth below. The required

insurance shall be maintained in full force and effect for the initial time of the Lease and any extended terms. The Lessee shall maintain insurance, written with an insurance company acceptable to Lessor, for the coverages and amounts of coverages not less than those set forth below. The insurance certificates shall provide that there may be no termination, non-renewal or modification of such coverage without thirty (30) days prior written notice to Lessor, in conformance with the provisions of this Lease Agreement. The amounts of such coverage shall be:

16.2.1 All risk property insurance for personal property in an amount equal to the full replacement value of Lessee's property on the LEASED PREMISES.

16.2.2 Adequate workers' compensation coverage to comply with state laws and employer's liability coverage in the minimum amount of \$100,000.

16.2.3 Commercial general liability coverage sufficient to meet the Lessor' maximum ability under the Government Tort Claims Act (51 O.S. 151 et seq.) and any amendment or addition thereto. The current required minimum commercial general liability coverage is: \$175,000 per person for bodily injury or death, \$25,000 for property damage and \$1,000,000 for any number of claims arising out of a single accident or occurrence. Lessor shall provide continuous all risks casualty and extended coverage insurance on the premises with coverage for full replacement value and Lessee will be named as Additional Insured on the policy. Lessee shall carry the same coverage on its contents on the premises. Claims proceeds will be used by Lessor and Lessee for any repairs necessitated by casualty loss as provided in this Lease.

17. Destruction of LEASED PREMISES. In the event the LEASED PREMISES should be partially destroyed as a result of fire or other casualty, regardless of the cause, then Lessor will, at its sole cost and expense, promptly, and in any event within thirty (30) days after receipt of

insurance proceeds, or within such longer period of time as may be necessary for Lessor to comply with public competitive bidding laws, commence to build or replace the same in as good condition as prior to such casualty, or if Lessor is unable to commence such rebuilding or replacement within thirty (30) days then as promptly thereafter as possible. Lessor will have no interest or claim to any portion of the proceeds of any insurance carried by Lessee on Lessee's personal property, and Lessee will have no interest in any portion of the proceeds of any insurance carried by Lessor or Lessor's property except the obligation of Lessor to use the insurance proceeds for repair of the LEASED PREMISES. Notwithstanding the foregoing provisions of this Section , it is expressly understood and agreed that any promise of Lessor hereunder to build, rebuild, or replace the LEASED PREMISES in the event of destruction thereof shall be subject to the availability of sufficient insurance proceeds for such purposes and that if Lessor does not have sufficient insurance proceeds therefore, then the LEASED PREMISES will not be built, rebuilt, or replaced by Lessor and this lease shall be cancelled upon notice by Lessor to Lessee of its financial inability to repair or replace the building. .

Default and Termination of Lease.

18. Lessee's Default; Lessor's Right to Terminate on Default. In the event Lessee should (i) default in payment of rent or (ii) make a misrepresentation, breach of warranty or default in fulfillment of any of the covenants, warranties or agreements of this Lease, Lessor may terminate this lease without further obligation to Lessee. To exercise such right of termination, Lessor will give Lessee written notice of such default by certified mail, and Lessee will have thirty (30) days from the date of receiving such notice to correct same. Should Lessee fail to correct such default in said thirty (30) day period, Lessor may, in addition to all other rights available to Lessor under Oklahoma law, at its option, terminate this Lease.

19. Lessee's Use and Enjoyment Subject to Further Regulation and Control by Lessor to Extent Required by Law.

Lessee's use and enjoyment of the LEASED PREMISES shall be subject to further regulation and control by Lessor, but only to the extent, if any, determined by a court of competent jurisdiction to be essential to the legal validity hereof. The provisions of this Section shall be cumulative of and in addition to all other provisions of this Lease relating to Lessor's control of the use and enjoyment of the LEASED PREMISES by Lessee.

20. Redelivery of LEASED PREMISES. Lessee shall, at the termination or expiration of this Lease Agreement or any extension thereof, peacefully quit, surrender and deliver up to Lessor, its successors or assigns, the LEASED PREMISES in good condition, with the exception of usual wear and tear.

21. Holding Over. In the event the Lessee remains in possession of the LEASED PREMISES after expiration of this Lease Agreement without the execution of a new lease, Lessee shall be deemed to be occupying the LEASED PREMISES as a tenant from month to month subject to all the conditions, provisions and obligations of this Lease Agreement insofar as the same are applicable to a month to month tenancy, provided that the rent payable under this Lease Agreement will be calculated and paid on the same basis as in effect on the date of expiration.

22. Entire Agreement. This Agreement constitutes the entire agreement between the parties and supersedes any earlier statement or understanding. No changes or additions to the terms of the Agreement shall be valid unless in writing and signed by both parties. IN WITNESS WHEREOF, the parties have executed this Lease on _____ 2021.

CITY OF ARDMORE, OKLAHOMA, LESSOR

By: _____
Mayor

Attest:

City Clerk

ARDMORE DEVELOPMENT AUTHORITY, LESSEE

By: _____
Chairman