

SUB-LEASE AGREEMENT

This Sub-Lease Agreement ("Sub-Lease") is made and effective _____, 2021, by and between ARDMORE PUBLIC WORKS AUTHORITY, A PUBLIC TRUST ("Lessor") and HFV WILSON CENTER TRUST AUTHORITY, A PUBLIC TRUST ("Lessee").

Lessor is the holder of a lease of land and improvements commonly known as HFV Wilson Center (PREMISES) located at 625 E Main Ardmore Oklahoma 73401 . The City of Ardmore ("City") is the title holder of the land and improvements covered by this Sub-Lease. The legal description of the PREMISES is attached as Exhibit A. Lessor and Lessee are public trusts created under 60 Oklahoma Statutes Sections 176, et. seq. with the City of Ardmore as sole beneficiary of the Trusts. In order to facilitate operation, maintenance and public use of the PREMISES the Trustees of the Ardmore Public Works Authority have determined it necessary and expedient to transfer possession and responsibility for the PREMISES to The HFV Wilson Center Trust Authority, A Public Trust.

Lessor desires to Sub-Lease PREMISES to Lessee, and Lessee desires to Sub-Lease the 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 as follows:

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 the renewal period Sub-Lease of Ten Dollars (\$10.00) per year payable on July 1 of each year.

3. **Use.** Lessee shall use the PREMISES only for the purposes of operating recreational and public service functions by providing activities related to youth programs, recreation, education, and community awareness. Lessee shall not use the 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 Lessee constitutes a public purpose in serving the citizens of the City of Ardmore. In using the 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. **Sub-Lease and Assignment.** Lessee shall not Sub-Lease all or any part of the PREMISES or assign this Sub-Lease in whole or in part without the written consent of Lessor.

5. **Utilities.** Lessee shall contract for and pay all charges for utility services at the 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 PREMISES unless otherwise expressly agreed in writing by Lessor and the Lessee.

6. **Entry.** Lessor shall have the right to enter upon the 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 PREMISES.

7. **PREMISES Rules.** Lessee will comply with the rules of the PREMISES

adopted and altered by Lessor from time to time and will cause all 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 PREMISES which violate any federal, state, or local laws. Combustible materials shall not be stored on the PREMISES.

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 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 Sub-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 Sub-Lease including any extensions of the Sub-Lease in an amount equal to or greater than the coverage of the Governmental Tort Claims Act as set forth in the paragraph below.

10. Sub-Lease Authority. This Sub-Lease is entered into between Lessor and Lessee at a nominal Sub-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 PREMISES so as not to discriminate against any employee or applicant for employment or any person or entity utilizing the PREMISES or utilizing any programs offered at the PREMISES because of race, creed, color, religion, sex, sexual orientation, gender identity, national origin, age, citizenship status, veteran status, or disability status.

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:

Lessor:

ARDMORE PUBLIC WORKS AUTHORITY, A PUBLIC TRUST
PO Box 249
Ardmore, OK 73402
c/o General Manager

Lessee:

HFV WILSON CENTER TRUST AUTHORITY, A PUBLIC TRUST

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 PREMISES; (b) day-to-day maintenance of the 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 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 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 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 PREMISES. Ordinary maintenance items, including, but not limited to, painting, installation of lights, shelving, partitions, fixtures, signs, and other improvements in, upon and about the 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 agreement, and as used elsewhere in this Sub-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 PREMISES; (ii) "day-to-day maintenance" shall mean and refer to all actions necessary for the daily upkeep of the PREMISES; (iii) "capital expenses" shall mean and refer to all expenses necessary to provide a "capital improvement" or "capital improvements" to the PREMISES; and (iv) "capital improvement" or "capital improvements" shall mean and refer to permanent, long-term betterments of the PREMISES, including, without limitation, roof

replacement, heat and air conditioning replacement, major plumbing and electrical repairs or replacement.

16. Insurance.

16.1 Before this Sub-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 PREMISES.

16.2 Prior to its occupancy of the 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 Sub-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 Sub-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 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 or Oklahoma statutory limits whichever is greater.

16.2.3 Commercial general liability coverage sufficient to meet the Lessor' maximum liability under the Government Tort Claims Act (51 O.S. 151 et seq.) and any amendment or addition thereto with the Lessor named as a co-insured under all policies. 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. Lessee shall carry the same coverage on its contents on the PREMISES. Claims proceeds will be used by Lessor and Lessee for any repairs made necessary by casualty loss as provided in this Sub-Lease.

17. Destruction of PREMISES. In the event the 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 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 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 PREMISES will not be built, rebuilt, or replaced by Lessor and this Sub-Lease shall be cancelled upon notice by Lessor to Lessee of its financial inability to repair or replace the building. .

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 Sub-Lease, Lessor may terminate this Sub-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 Sub-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 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 Sub-Lease relating to Lessor's control of the use and enjoyment of the PREMISES by Lessee.

20. Redelivery of PREMISES. Lessee shall, at the termination or expiration of this Sub-Lease Agreement or any extension thereof, peacefully quit, surrender, and deliver up to Lessor, its successors or assigns, the 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 PREMISES after expiration of this Sub-Lease Agreement without the execution of a new Sub-Lease, Lessee shall be deemed to be occupying the PREMISES as a tenant from month to month subject to all the conditions, provisions and obligations of this Sub-Lease Agreement insofar as the same are applicable to a month to month tenancy, provided that the rent payable under this Sub-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 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 Sub-Lease on _____,2021.

ARDMORE PUBLIC WORKS AUTHORITY, LESSOR

BY: _____

HFV WILSON CENTER TRUST AUTHORITY, LESSEE

BY: _____