

LEASE AGREEMENT

LANDLORD: **SHELTER INVESTMENTS, LLC (hereafter "Landlord")**
111 N. Peters, Suite 101
Norman, OK 73069
405.321.8984 phone
405.366.7171 fax

TENANT(S): **The City of Norman (hereafter "Tenant")**
325 East Comanche Street
Norman, OK 73069
Contact Phone:

DATE: October 27, 2020

1. LEASED PROPERTY:

a. The Landlord does hereby lease to the Tenant and the Tenant does hereby lease from the Landlord the use and occupancy of a portion of a single story commercial building, which is generally located at 325 East Comanche Street in Norman, Cleveland County, Oklahoma. The property location has an underlying legal description as follows:

NORMAN OT LOTS 19 AND 20 BLK 23.

b. This is a lease with the Tenant planned to occupy a space that is roughly 5,500 gross SF within a stand alone building (herein the "**Property**").

2. TERM:

a. The term of this Lease is for one (1) year, with a commencement date of October 27, 2020, and a termination date of October 26, 2021.

b. With the sole exception of the rent amount and dates of term, any extension of this Lease under a renewal term or any other extension agreement, shall be subject to all provisions of this lease agreement and any amendments thereto; and all such provisions and amendments shall remain in full force and effect throughout any extension periods.

3. RENT:

a. Tenant, in consideration of leasing the Property as set forth above, covenants and agrees with Landlord to pay Landlord the following monthly rent of Five Thousand Five Hundred Dollars (\$5,500) for the term of the Lease.

b. The rent shall be paid without any set-off or deduction whatsoever, on or before the first (1st) day of each month in advance. Landlord will accept payment in these forms only: Personal check, business check, cashier's check, or money order made payable to "Shelter Investments, LLC"

c. Rent is due strictly in advance on the first (1st) day of each month. Rent shall be considered as "received" on the calendar day that it physically arrives at the Landlord's office as required above. As a gesture of goodwill only, and NOT as any amendment to the rent payment due date of the first day of the month, Landlord will provide Tenant with a brief grace period

before the application of late charges. Therefore, if any payment has not been received at the Landlord's office by the fifth (5th) day of the month, any amount of rent due the Landlord shall be subject to an increase in the amount of 5% of the amount past due. If any payment due the Landlord has still not been received at the Landlord's office by the fifteenth (15th) day of the month, the amount due shall be further increased by an additional amount equal to 5% of the amount past due; and the Tenant shall pay any and all expenses incurred by the Landlord as a result of the collection efforts. Such expenses may include, but are not limited to court costs, attorneys' fees and expenses (regardless of whether litigation has been commenced), expert witnesses, collection agency fees, and the like. Any increases shall be payable immediately as additional rent. Such late charges paid by Tenant, or acceptance thereof by Landlord, shall not be deemed a waiver or relinquishment by Landlord of any of its other rights or remedies under this Lease, equity or law. All other provisions and default remedies shall remain in full force and effect. Furthermore, the grace period shall not alter the fact that rent is strictly due in advance on the first (1st) day of the month, and Landlord reserves the right to insist upon payment and pursue default remedies pursuant to such requirement.

d. If any payment offered by Tenant to Landlord in payment of rent or any other amount due is returned for lack of sufficient funds, a "stop payment", or any other reason, Tenant shall pay Landlord a non-refundable fee of Fifty Dollars (\$50.00), in addition to any late charges and/or collection expenses that may apply as discussed above, which may also apply for rent that has not been received in time because of the lack of sufficient funds, etc.

4. OPTION TO RENEW

a. Landlord herewith grants to Tenant the option to renew this lease for an additional one (1) year term with the following monthly rental rates:

Additional Year: Four Thousand Two Hundred Dollars (\$4,200) per month.

b. In order to exercise the option to renew, Tenant must provide written notice to Landlord at least ninety (90) days prior to the end of the term.

5. SECURITY DEPOSIT: Intentionally Deleted.

6. USE OF PROPERTY:

a. Tenant shall use and occupy demised Property only for the purpose of operating an emergency warming shelter, general offices use and other matters related to that type of business. Tenant shall obtain the prior written consent of Landlord before changing the scope or character of any such use. Tenant shall not use the Property in any manner that is disreputable, creates extraordinary fire hazards, or that will increase risk covered by insurance on the Property, such as would result in an increase in the insurance premium rates or cancellation of any insurance policy.

b. Tenant shall take reasonable steps, at all times, to cooperate with the other tenants that may be on, or adjacent to, the Property and Tenant shall strive to work closely with the other tenants so that all parties are able to use the site as they have a right to do, without unnecessary interruptions. Tenant shall regularly communicate with the other tenants to make certain that no conflicts are arising.

c. Tenant shall conduct its business and control its subtenants, agents, employees, contractors, customers, and invitees in such a manner as not to create any nuisance or unreasonably interfere with other tenants or neighbors of the leased property. Tenant, at its sole

expense shall conduct its business in compliance with all laws (including without limitation, any and all environmental rules, regulations, and requirements, and all laws regarding access for handicapped or disabled persons), ordinances and regulations, and all declarations, covenants, and restrictions, applicable to Tenant's use or occupation of the Property, and with all government orders and directives of public officers which impose any duty or restriction with respect to the use of the property. Tenant shall be solely responsible for all expenses that occur on the interior of the Property as a result of enforcement of, or compliance with, the Americans with Disabilities Act or similar statutes or local ordinances or any regulations promulgated there under, all as may be amended from time to time. See Sec. 8(b) for an exception to installation of ADA bathroom by Landlord.

d. Tenant shall make certain that its officers, owners, managers, employees, agents, representatives, visitors, guests, customers, delivery persons, invitees, contractors, and subcontractors shall abide by additional miscellaneous rules as may be put forth by the Landlord from time to time and as may include, but not be limited to the following:

i. Plumbing fixtures and appliances shall be used only for the purposes for which they were designed, and no trash, debris, sweepings, rubbish, rags, or other unsuitable material will put into plumbing drain lines. Tenant shall pay damage resulting to any such fixtures or appliances from misuse. Tenant shall not waste or use unusually large amounts of water.

ii. In the event that Tenant should change the locks, Tenant shall provide Landlord, at Tenant's expense, with at least two (2) copies of every key to the Property (interior and exterior) – this is for safety purposes in the event of a flood, fire, crime, or other event in which Landlord might need to have quick access into the Property.

iii. Movement on or off of the Property of merchandise, furniture, equipment, boxes, crates, is undertaken at Tenant's risks, and Tenant assumes all risks of and shall be liable for all damage to property or persons when moving items in and out of the Property, or around the site. Tenant shall not bring any items of unusually excess weight onto the Property.

iv. All damages to the leased building or Property caused by the movement of any property of Tenant, or of Tenant's officers, owners, managers, employees, agents, representatives, visitors, guests, customers, delivery persons, invitees, contractors, or subcontractors, shall be repaired at the expense of Tenant.

v. No animals of any kind shall be kept on the Property, at any time, nor for any length of time. No portion of the Property may be used at any time for a residence or living space.

vi. Tenant shall keep the Property neat, clean and orderly (both interior and exterior). Tenant shall maintain the Property in a manner that is of first-class commercial quality and appearance. Tenant shall obtain Landlord's prior written consent before placing items on exterior display, or furniture or equipment of any kind, outside of the Tenant's exclusive leased space. Landlord shall have the prior right of approval concerning placement of such items, and Tenant shall allow Landlord at least three days to consider location of such items and reply in writing as to approval or denial. Tenant shall keep all trash and discarded items in the designated trash areas and not in any areas visible to the public or other tenants.

vii. Tenant shall not make or permit any publicly disturbing vibrations, noises, odors or other matters to emanate from the Tenant's exclusive leased space on the

Property or otherwise interfere in any way with Tenant's neighbors.

viii. Any flammable or explosive fluids or substances on the Property shall be stored and used in a safe manner and as prescribed by industry standards and manufacturer's recommendations.

viii. All non-inventory company vehicles must be currently licensed, in good operating condition, parked for business purposes having to do with Tenant's business operated in the Property, parked within designated parking spaces, one vehicle to each space. No vehicle shall be parked as a "billboard" or signage vehicle in the parking lot in any way that violates City codes or causes any safety problems of blocking sight lines for vehicles passing nearby. Any vehicle parked illegally, may be towed away at Tenant's expense.

x. Tenant shall not mark, paint, drive nails into, or screw or drill into, or in any way deface, the walls, ceilings, partitions, floors, wood, stone, or ironwork. The expense of repairing any damage or caused by any interruption of operations resulting from the violation of this rule shall be borne by the Tenant.

xi. Any additional window shades or coverings desired by Tenant shall be installed at Tenant's expense and must be of such uniform shape, color, material, and style as may be prescribed by Landlord. No additional attachments or items may be attached to the outer surfaces of the building.

7. UTILITIES:

a. Landlord shall arrange and pay for any and all separately metered utilities furnished to the Property, specifically, electric, gas, water, sewer, and internet expenses incurred in the business operations conducted on the leased Property.

8. IMPROVEMENTS and ALTERATIONS:

a. Any improvements made by Tenant to the Property shall become part of the building and the property of the Landlord at the expiration of this Lease. Tenant agrees to provide first-class quality materials, and labor shall be performed in a first-class workmanlike manner with high-quality results. All materials and laborers must be first approved by Landlord, in Landlord's sole discretion. Any trade fixtures installed by Tenant on the Property may be removed, but only to the extent that such removal does not cause any damage or visual unsightliness to the property.

b. The Property is offered for lease to Tenant in an AS-IS, WHERE-IS, WITH ALL FAULTS condition, and Landlord shall not be responsible for remodeling or providing improvements of any nature to the Property. Except, Landlord shall build an additional ADA restroom to the west of the existing restroom. Any improvements to the leased Property shall be done at the sole expense of the Tenant and shall require the prior written consent of Landlord. Any improvements made by the Tenant shall first be submitted to Landlord in the form of plans and specifications and shall be subject to prior written approval of Landlord and shall become part of the building and the property of the Landlord at the expiration of this Lease. Landlord's right of approval extends to the plans, specifications, materials, contractors, and subcontractors. Tenant shall cause any contractors to procure and maintain insurance coverage naming Landlord as an additional insured. Landlord's approval of any improvements shall not be a representation that such improvements comply with applicable laws and codes and it is the Tenant's responsibility to make certain that any such improvements do comply with all applicable laws

and codes.

c. Tenant shall not permit any mechanic's or materialman's liens to be filed against the Property for any work performed, materials furnished, or obligation incurred by or at the Tenant's request. If such a lien is filed, then Tenant shall, within ten (10) days after Landlord has delivered notice of such filing to Tenant, either pay the amount of the lien or diligently contest such lien and deliver to Landlord a bond or other security reasonably satisfactory to Landlord. If Tenant fails to timely take either such action, then Landlord may pay the lien claim or bond around the lien and invoice Tenant for the cost thereof, and any amounts so paid, including expenses and interest, shall be paid by Tenant to Landlord within ten (10) days after Landlord has invoiced Tenant therefore. If the lien is not removed within the ten-day period Landlord reserves the right to treat the failure as a material breach and terminate this lease agreement upon ten (10) days notice.

d. Tenant will purchase and install the required number of smoke detectors, carbon monoxide detectors and fire extinguishers as required by the Norman Fire Department.

9. SIGNS:

a. Tenant shall NOT place any signage, lettering, imagery, or any graphics anywhere on the Property without the prior written review and approval of Landlord. Landlord reserves all rights of refusal as it concerns the appearance and image of the building outside of the Tenant's exclusive leased space. Tenant shall within thirty (30) days of the commencement of this Lease install, at their sole cost and expense, a repainted sign on the exterior of the premises, for the purpose of identifying and advertising their business. The sign is provided by Landlord and shall remain the sole property of the Landlord.

10. MAINTENANCE AND REPAIRS:

a. Landlord shall be responsible for the expense and repair of the exterior surfaces of the building and common areas, and the building systems that serve the Tenant's premises, that being plumbing, electrical, heating and air conditioning. However, Landlord shall not be responsible for repairs to any items that have been damaged due to Tenant's actions or that of Tenant's employees, agents, visitors, customers, guests, etc. Landlord shall also not be responsible for any costs of repairs to any item on the interior if it has been damaged by Tenant's actions or that of Tenant's employees, agents, customers, invitees, or guests. Tenant is responsible for replacing light bulbs. Landlord is responsible for existing ballasts and fixtures.

b. Subject to subsection c. immediately below, Landlord shall be responsible, in Landlord's sole expense for maintenance and repairs on the exterior and common areas of the Property, such as the roof, parking lot, sidewalks, exterior wall surfaces, exterior metal awnings, exterior lights, and landscaping. Landlord shall not be responsible for maintenance or repair of any improvements that were installed by Tenant.

c. All damage or injury to the Property and to its improvements, fixtures, accessories, appurtenances and equipment caused in any way by any acts or omissions of Tenant, or Tenant's officers, owners, managers, employees, agents, representatives, visitors, guests, customers, delivery persons, invitees, contractors, and subcontractors shall be repaired, restored or replaced promptly by Tenant at Tenant's sole cost and expense to the reasonable satisfaction of Landlord. All such repairs, restorations, or replacements shall be in quality and class at least equal to the original work or installations.

d. If the Property becomes infested with rodents, insects, pests, or other vermin, Tenant shall at Tenant's expense cause such pests to be exterminated from time to time within Tenant's leased space. Landlord shall at Landlord's expense treat only for termites.

11. TAXES:

a. Landlord shall be responsible for the payment of ad valorem real estate property taxes, except that Tenant shall be liable for all taxes levied or assessed against personal property of Tenant's business, inventory, furniture, or fixtures placed by Tenant in the Property.

12. INSURANCE:

a. Tenant elects to self-insure its worker's compensation coverage, its vehicle accident coverage and liability for bodily injury or property damage to third parties in connection with accident arising out of Tenant's operations. Tenant has provided Landlord a letter dated September 22, 2020, from Clint Mercer, CPA, Chief Accountant for Tenant, a letter describing Tenant's election to self-insurance as Exhibit A attached hereto. See 50 U.S. §151 et. seq. Governmental Tort Claims Act.

b. Landlord shall NOT be responsible for insurance coverage, or security or safety, of any of Tenant's inventory or personal property or contents in, or located on, the leased Property.

c. Tenant shall NOT hire any subcontractors or any independent contractors that do not have general commercial insurance liability coverages and workers compensation coverage for all employees and persons that work on the Property. Tenant indemnifies and holds Landlord harmless for pollutants, hazardous waste claims as related to the Property that arise from Tenant's acts or omissions in relation to the Property. Any claims, lawsuits, disputes, injuries, damages, or controversies related to the Property that Tenant becomes aware of must be reported to Landlord within thirty (30) days of Tenant becoming aware of them. All vehicles operated by Tenant or Tenant's employees, volunteers, agents or representatives, shall be insured for liability insurance coverage, and all drivers must be licensed as required per the State of Oklahoma in relation to the vehicles being operated.

d. Notwithstanding the foregoing, the Tenant shall first look to Tenant's own insurance before making any claim against the Landlord for recovery for loss or damage resulting from fire or other casualty, and to the extent that such insurance is in force and collectible and to the extent permitted by law, Tenant hereby releases and waives all right of recovery against the Landlord or anyone claiming through or under the Landlord by way of subrogation or otherwise.

13. ACCEPTANCE AND SURRENDER:

a. Acceptance and occupancy of the Property by Tenant shall be construed as recognition that the Property is in a good state of repair and condition. Tenant agrees that Tenant is accepting delivery of the Property in an as-is condition with the exception of any specifically expressed obligations that may be provided elsewhere herein on the part of Landlord to provide improvements or repairs to the Property.

b. No act by Landlord shall be deemed an acceptance of surrender of the Property, and no agreement to accept a surrender of the Property shall be valid unless it is in writing and signed in advance by the Landlord. At the expiration or termination of this Lease, Tenant shall deliver to Landlord the Property with all improvements located therein in good repair and

condition, broom-clean, neat and orderly, reasonable wear and tear excepted, and shall deliver to Landlord all keys to the Property. Provided that Tenant has completely performed all of Tenant's obligations hereunder, Tenant may remove all unattached trade fixtures, furniture, and personal property placed in the Property by Tenant, and if Landlord requests, Tenant shall remove such alterations, additions, improvements, trade fixtures, personal property, equipment and furniture as Landlord may request. Tenant shall repair all damage caused by any removal of items. All items left on the Property by Tenant after termination of the Lease, or end of the Lease, shall be deemed to have been abandoned by Tenant and may be appropriated, sold, stored, destroyed, or otherwise disposed of by Landlord without notice to Tenant and without any obligation to account for such items.

c. Landlord shall be responsible for any existing environmental contamination present before the commencement date of this Lease. Tenant shall be responsible for any environmental contamination occurring on or after the commencement date of this Lease, and before the termination of this Lease agreement, which arises out of Tenant's occupancy and use of the Property. Tenant further agrees to reimburse Landlord, and hold Landlord harmless for any expense, including attorneys' fees, court costs and expert witnesses that arise from environmental contamination that arises out of Tenant's acts or omissions.

14. QUIET ENJOYMENT:

a. Provided Tenant has performed all of its obligations hereunder, Tenant shall peaceably and quietly hold and enjoy the Property for the term, without hindrance from Landlord or any party claiming by, through, or under Landlord, but not otherwise, subject to the terms and conditions of this lease.

15. ASSIGNMENT AND SUBLETTING

a. This Lease is NOT assignable, and therefore Tenant shall not, without the prior written consent of Landlord, in Landlord's sole discretion:

- i. Sublease any part or all of the Property;
- ii. Assign, transfer, mortgage, pledge, collateralize, or encumber this Lease or any part of it;
- iii. Permit any other entity to become Tenant hereunder by merger, consolidation, or other reorganization of the Tenant entity;
- iv. Permit the transfer of an ownership interest in Tenant in such an amount that would result in a change in the current control and management of Tenant;
- v. Grant any license, concession, or other right of occupancy to any part or all of the Property; or
- vi. Permit the use and occupancy of the Property by any parties other than Tenant on any basis that Tenant.

(any one or more of the above events shall constitute a "Transfer").

b. If Tenant requests Landlord's consent to a transfer, then Tenant shall provide, at Tenant's expense, Landlord with a written description of all terms and conditions of the proposed Transfer, copies of the proposed documentation, and the following information about the proposed transferee: name and address, reasonably satisfactory information about its business and business history; its proposed use of the Property; banking, financial, and other credit information; and general references sufficient to enable Landlord to determine the proposed transferee's creditworthiness and character. Landlord may withhold its consent in

Landlord's sole discretion. If Landlord gives prior written consent to a proposed Transfer, then the proposed transferee shall deliver to Landlord a written agreement in which it expressly assumes the Tenant's obligations hereunder and any additional obligations imposed by Landlord upon Landlord's consent. Landlord's consent to a Transfer shall not release Tenant from its obligations under this lease, but rather, unless Landlord agrees otherwise, Tenant and its transferee shall be jointly and severally liable therefore. Landlord's consent to any Transfer shall not be deemed to waive Landlord's rights as to any subsequent Transfers. If any provision of this lease is defaulted under while the property or any part thereof is subject to a Transfer, then Landlord, in addition to its other remedies, may collect directly from such transferee all rents becoming due to Tenant and apply such rents against the Tenant's rent. Tenant hereby authorizes any transferees to make payments directly to Landlord upon receipt of notice from Landlord to do so.

16. DAMAGES, NON-LIABILITY OF LANDLORD:

a. Landlord, and Landlord's officers, managers, employees and members shall not be liable for any losses, costs, expenses, damages, theft or vandalism of any property of Tenant, or Tenant's officers, owners, managers, employees, agents, representatives, visitors, guests, customers, delivery persons, invitees, contractors, and subcontractors, unless such events are directly caused by or due to the negligence of Landlord. Landlord or its agents shall not be liable for any injury or damage to persons or property resulting from fire, explosion, falling objects, slips or falls, steam, glass, electricity, water, rain, snow, ice, or water leaks, unless such events are directly caused by or due to the negligence of Landlord. Landlord, and Landlord's officers, managers, employees and members shall not be liable in any way for any acts of God or natural events. Tenant shall give immediate notice to Landlord in case of fire or accidents in the Property or in the building or of defects therein or in any fixtures or equipment. Landlord shall not be liable in any manner, nor to any extent, for the presence or discovery of toxic mold, lead, or other hazards, unless such events are directly caused by or due to the negligence of Landlord.

17. DESTRUCTION: FIRE OR OTHER CAUSE:

a. If the Property becomes partially damaged by fire or other cause without being attributable to the acts or omissions of Tenant, or Tenant's officers, owners, managers, employees, agents, representatives, visitors, guests, customers, delivery persons, invitees, contractors, and subcontractors, then the damages to the originally leased Property shall be repaired by and at the expense of Landlord and the rent until such repairs shall be made shall be apportioned according to the part of the demised premise which is useable by Tenant, if any. However, if such partial damage is due to the fault or neglect of Tenant, or Tenant's officers, owners, managers, employees, agents, representatives, visitors, guests, customers, delivery persons, invitees, contractors, and subcontractors, without prejudice to the rights of subrogation of Landlord's insurer, the damages shall be repaired by Tenant, at Tenant's expense, and there shall be no apportionment or abatement of rent.

b. If the Property becomes totally damaged or is rendered wholly unusable by fire or other cause, and if Landlord decides not to restore or not to rebuild the same or if the building shall be so damaged that Landlord shall decide to demolish it or not to rebuild it, then in any such events Landlord may within sixty (60) days after such fire or other cause give Tenant a notice in writing of such decision, and thereupon the term of this lease shall expire by lapse of time upon the third day after such notice is given, and Tenant shall vacate the demised Property

and surrender the same to Landlord. If Tenant shall not be in default under this lease, then upon the termination of this lease under the conditions provided for in the sentence immediately preceding, Tenant's liability for rent shall cease as of the day following the casualty damage to the Property.

18. BREACH, DEFAULT AND REMEDIES.

a. Tenant shall be deemed to be in default if any one or more of the following events occurs at any time:

i. Tenant fails to pay any amount of rent, or CAM Fee or other money that is due, at the time it is due and payable, and such failure continues for five (5) days after written notice of such default from Landlord.

ii. Tenant violates or fails to perform any of Tenant's obligations, commitments, promises, terms, guaranties, covenants, conditions, or rules expressed in this Lease, and such violation or failure continues for thirty (30) days after written notice of such default from Landlord.

iii. An assignment is made of the Tenant's property for the benefit of creditors.

iv. Abandonment of any portion of the Property or the closing of Tenant's business.

v. The filing by or against the Tenant, or any Guarantors, of any proceedings under the federal bankruptcy act or any similar law and the failure to secure a discharge of the same within thirty (30) days.

vi. The adjudication of the Tenant or any Guarantors as bankrupt or insolvent in proceedings filed under the federal bankruptcy act or any similar law.

vii. The appointment of a receiver or trustee for the Tenant, any Guarantors or any of the assets of the Tenant.

b. Upon any event of default and Tenant's failure to timely cure such default, Landlord may exercise any one, or more, or all of the following rights and remedies, in Landlord's sole discretion:

i. Landlord may terminate the Tenant's lease of the Property;

ii. Landlord may terminate Tenant's right to possession of the Property;

iii. Landlord may require Tenant to pay to Landlord all amounts of rent that have become due and payable as of the date of termination, including any interest on delinquent amounts at the rate of twelve (12%) per annum, or the legally allowed maximum rate if that be lower;

iv. Landlord may require Tenant to pay to Landlord an amount equal to all damages resulting from Tenant's default including, but not limited to:

1. All future rent owed by Tenant for the remainder of the Lease term then in effect;

2. All costs incurred by Landlord in obtaining possession of the Property;

3. All costs of Landlord in removing and/or storing items that are abandoned by Tenant on the Property;

4. All expenses of re-leasing the Property such as brokerage fees, advertising costs, cleaning expenses, repair costs, expenses to return the Property to rentable condition;

5. All damages to the Property improvements, fixtures, equipment, site, building, and all costs to repair, restore, clean and/or otherwise put the Property back into a reasonably presentable condition, reasonable wear and tear excepted;

6. All costs incurred by Landlord in performing any of Tenant's obligations which Tenant failed to perform;

7. All damages resulting from Tenant's breach of the covenants in this Lease; and

8. All attorneys' fees, court costs, and collections expenses incurred by Landlord in the enforcement of this lease against Tenant, whether before or after litigation is filed.

c. Upon the termination of Tenant's lease, Landlord shall use reasonable efforts to re-lease the Property on such terms as Landlord in Landlord's sole discretion may determine (including terms different than in this lease); however, Landlord shall not be obligated to re-lease the Property before leasing other portions of the Building. Tenant's obligations shall not be diminished because of Landlord's failure to re-lease the Property or to collect rent due for such re-leasing, to the extent that Landlord is unable to re-lease the Property upon reasonable terms. Tenant shall not be entitled to the excess of any consideration obtained by re-leasing over the Rent due hereunder.

d. Any damages or loss of rent sustained by Landlord may be recovered by Landlord, at Landlord's option, in separate actions, from time to time; or, at Landlord's option, may be deferred until the expiration of the term of this Lease (in which event, the cause of action shall not be deemed to have accrued until the date of expiration of the term of the Lease). The provisions contained in this paragraph shall be in addition to and shall not prevent the enforcement of any claim Landlord may have against Tenant for anticipatory breach of the unexpired term of this Lease.

e. All rights and remedies of Landlord under this lease shall be cumulative and shall not prohibit Landlord from exercising any other rights and remedies available to Landlord under applicable law or at equity, including but not limited to, a lawsuit for damages, an injunction, or specific performance. No waiver by Landlord of any breach of any covenant, condition, agreement, rule or regulation herein contained shall operate as a waiver of such covenant, condition, agreement, rule or regulation itself, or of any subsequent breach thereof.

f. To the full extent permitted by law or equity, Landlord and Tenant agree that the Oklahoma District Court in Cleveland County Oklahoma, and the Federal District Court in the Western District of Oklahoma shall have exclusive jurisdiction over any matter relating to or arising from this lease and the parties' rights and obligations under this lease, and that Oklahoma law shall govern the interpretation and enforcement of this lease.

g. All personal property not removed by the Tenant from the Property within ten (10) days after the termination of this lease will be conclusively presumed to have been abandoned by the Tenant, and the Landlord at landlord's sole option, thereafter may take possession of such property and either declare the same to be the property of the Landlord, or, at the expense of the Tenant, dispose of such property in any manner and for whatever consideration the Landlord at their sole discretion deems advisable.

19. PAYMENT BY TENANT: NON-WAIVER

a. Landlord's acceptance of rent following an event of default shall not waive

Landlord's rights regarding such event of default. No waiver by Landlord of any violation or breach of any of the terms contained herein shall waive Landlord's rights regarding any future violation of such term. Landlord's acceptance of any partial payment of rent shall not waive Landlord's rights with regard to the remaining portion of the rent that is due, regardless of any endorsement or other statement on any instrument delivered in payment of rent or any writing delivered in connection therewith; accordingly, Landlord's acceptance of a partial payment of rent shall not constitute an accord and satisfaction of the full amount of the rent due.

20. LANDLORD'S LIENS:

~~a. In addition to any statutory Landlord lien rights, Tenant grants to Landlord, to secure performance of Tenant's obligations hereunder, but only to the extent that Tenant breaches this Lease and damages Landlord, a security interest in all goods (including equipment and inventory), fixtures, and other personal property of Tenant situated on the Property, and all proceeds thereof, and the collateral shall not be removed from the Property without the prior written consent of Landlord (other than in Tenant's ordinary course of business) until all obligations of Tenant have been fully performed. Upon the occurrence of an event of default, Landlord may, in addition to all other remedies, without notice or demand except as provided below, exercise the rights afforded to a secured party under the Oklahoma Uniform Commercial Code (UCC). Landlord may file a financing statement to perfect its security interest in the collateral.~~

21. INDEMNIFICATION:

a. Tenant shall defend, indemnify, and hold harmless Landlord and Landlord's officers, managers, employees, members, owners, representatives, agents, contractors, subcontractors and consultants, from and against all claims, demands, liabilities, causes of action, lawsuits, disputes, allegations, investigations, judgments, controversies, petitions, fines, damages and expenses (including, but not limited to, attorneys fees and all litigation expenses) alleged to be caused by, or arising from any act or omission, or negligence, of Tenant, or Tenant's officers, owners, managers, employees, agents, representatives, visitors, guests, customers, delivery persons, invitees, contractors, and subcontractors. This indemnity shall also apply to any act committed, or any omission to act, in or about the leased Property by Tenant, or Tenant's officers, owners, managers, employees, agents, representatives, visitors, guests, customers, delivery persons, invitees, contractors, and subcontractors, or from any breach or default by Tenant of this lease. This indemnity provision shall survive termination or expiration of this Lease until the applicable statute of limitations ends as related to any claims that could be brought as indicated above. If any proceeding is filed for which indemnity is required hereunder, Tenant agrees, upon request therefore, to defend the indemnified party in such proceeding at Tenant's sole cost utilizing attorneys reasonably satisfactory to the indemnified party.

b. Tenant agrees on behalf of itself and Tenant's officers, managers, owners, members, and employees, that the liability of Landlord to Tenant or any of Tenant's officers, managers, owners, members, and employees, for any claims against Landlord of any nature shall be recoverable only to the extent of the Landlord's economic interest in the Property. Tenant agrees on behalf of itself and Tenant's officers, managers, owners, members, and employees, that Landlord's officers, managers, employees, members, owners, representatives, or agents shall not be personally liable in any way for any claims or damages.

22. SUBORDINATION ATTORNMENT:

a. This lease shall be subordinate to any deed of trust, mortgage or other security instrument, or any ground lease, master lease, or primary lease, which now or hereafter covers all or any part of the Property.

b. Tenant shall attorn to any party succeeding to Landlord's interest in the Property, whether by purchase, foreclosure, deed in lieu of foreclosure, power of sale, or otherwise, upon such party's request, and shall execute such agreements confirming such attornment as such party may reasonably request. However, Tenant shall not be required to vacate and leave the Property prior to the end of Tenant's term in this Lease for such reasons of subordination or attornment.

c. Tenant shall not seek to enforce any remedy for any default on the part of the Landlord without first giving written notice by certified mail, return receipt requested, specifying the default in reasonable detail, to any Landlord's mortgagee (if any), and affording such Landlord's mortgagee an opportunity to perform Landlord's obligations.

23. EMINENT DOMAIN:

a. Tenant agrees that Landlord may convey insignificant perimeter portions of the leased Property site for highway or roadway purposes to the State of Oklahoma or other appropriate governmental body, and covenants and agrees to consent thereto and to execute any documents in order to effectuate same. If the entire Property or building are taken by right of eminent domain or conveyed in lieu thereof, this lease shall terminate as of the date of the taking.

b. If any eminent domain government taking occurs, Landlord shall receive the entire award or other compensation granted and Tenant may separately pursue a claim (to the extent that it will not reduce Landlord's award) against the condemning government for the value of Tenant's personal property which Tenant is allowed to remove under this lease, moving costs, loss of business and other claims it may have.

24. CERTAIN RIGHTS RESERVED BY LANDLORD:

a. Landlord reserves the right to make reasonable inspections, repairs, alterations, additions, changes or improvements, whether structural or otherwise, in and about the Property.

b. Landlord reserves the right to enter the Property at reasonable hours to show the Property to prospective purchasers, lenders, or prospective tenants during the last 6 months of any leased term.

25. LANDLORD TRANSFER:

a. Landlord may transfer any portion of the Property and any of Landlord's rights under this lease. If Landlord assigns its rights under this lease, then Landlord shall thereby be released from any further obligations hereunder, provided that the assignee assumes Landlord's obligations hereunder in writing.

26. NOTICE:

a. All notices and other communications given pursuant to this lease shall be in writing and shall be:

i. A writing mailed by first class, United States Mail, postage prepaid, certified, with return receipt requested, and addressed to the parties hereto at the address specified herein;

ii. Hand delivered in writing to the intended address under requirements set forth above concerning hand delivery of rent; or

iii. Sent by fax transmission, or email, so long as receipt of such transmission is confirmed with a reply, and so long as the evidence of such transmission is maintained and available for verification.

All notices shall be effective upon delivery to the address of the addressee. The parties hereto may change their addresses by giving notice thereof to the other in conformity with this provision.

27. FORCE MAJEURE:

a. Other than for Tenant's obligations under this lease that can be performed by the payment of money (i.e. payment of rent and maintenance of insurance policies, etc.), whenever a period of time is herein prescribed for action to be taken by either party hereto, such party shall not be liable or responsible for, and there shall be excluded from the computation of any such period of time, any delays due to strikes, riots, acts of God, shortages of labor or materials, war, government laws, regulations, or restrictions, or any other causes of any kind whatsoever which are beyond the control of such party.

28. BROKERAGE:

a. Neither Landlord nor Tenant has dealt with any broker or agent in connection with the negotiation or execution of this lease, with the sole exception that Landlord hereby discloses that Landlord is a real estate brokerage company. Tenant and Landlord shall each indemnify the other against all costs, expenses, attorneys' fees, and other liability for commissions or other compensation claimed by any broker or agent claiming the same by, through, or under the indemnifying party.

29. ESTOPPEL CERTIFICATES:

a. From time to time, Tenant shall furnish to any party designated by Landlord, within ten (10) days after Landlord has made a request therefore, a certificate signed by Tenant confirming and containing such factual certifications and representations as to this lease as Landlord may reasonably request.

30. AUTHORITY:

a. Tenant, and each individual executing this lease on behalf of the Tenant entity, represent and warrant that such individual(s) is duly authorized to execute and deliver this lease on behalf of the Tenant entity, and any other affiliated Tenant entities, such as sub-division entities, subsidiary entities, joint-venture entities, and the like. The individual(s) executing this lease on behalf of Landlord represent and warrant to Tenant that they are fully authorized and legally capable of executing this Lease on behalf of Landlord and that such execution is binding upon all parties holding any beneficial and/or ownership interest in the leased Property.

31. PARAGRAPH HEADINGS:

a. Paragraph headings contained in this lease are for reference purposes only and shall not affect in any way whatsoever the meaning or interpretation of this lease. Likewise, the phrase "intentionally deleted" or "intentionally blank" is for incidental drafting purposes only and shall not be construed to affect the interpretation of the remaining provisions of this Lease,

and shall not be construed to mean that Landlord has affirmatively negated any rights that Landlord may otherwise enjoy elsewhere in the lease agreement, or by statute, law or equity.

32. TIME OF THE ESSENCE:

a. Time is of the essence in all provisions (singular and multiple) of this lease, and shall be strictly followed.

33. SEVERABILITY:

a. If any clause or provision of this lease is illegal, invalid, or unenforceable under present or future laws, then the remainder of this lease shall not be affected thereby and in lieu of such clause or provision, there shall be added as a part of this lease a clause or provision as similar in terms to such illegal, invalid, or unenforceable clause or provision as may be possible and be legal, valid, and enforceable.

34. MODIFICATION:

a. This lease may not be amended except by instrument in writing signed by Landlord and Tenant. No provision of this lease shall be deemed to have been waived by Landlord unless such waiver is in writing signed by Landlord, and no custom or practice which may evolve between the parties in the administration of the terms hereof shall waive or diminish the right of Landlord to insist upon and enforce performance by Tenant in strict accordance with the terms hereof. The terms and conditions contained in this lease shall inure to the benefit of and be binding upon the parties hereto, and upon their respective successors in interest and legal representatives, except as otherwise herein expressly provided. This lease is for the sole benefit of Landlord and Tenant, and, other than Landlord's Mortgagee (if one exists), no third party shall be deemed a third party beneficiary hereof.

35. NO MERGER:

a. There shall be no merger of the leasehold interest hereby created with the fee estate in the Property or any part thereof if the same person acquires or holds, directly or indirectly, this lease or any interest in this lease and the fee estate in the leasehold Property or any interest in such estate.

36. NO OFFER:

a. The submission of this lease to Tenant, and any writings or discussions prior such submission, shall not be construed as an offer of any kind, and Tenant shall not have any rights under this lease unless Landlord and Tenant both execute the same copy of this lease.

37. JOINT AND SEVERAL LIABILITY:

a. Each entity that serves in the capacity of a tenant, subtenant, occupant, property manager, or managing partner or member, as it relates to this lease, shall be jointly and severally liable for Tenant's obligations under this lease.

38. EXHIBITS:

a. All exhibits and attachments attached hereto are incorporated herein by reference.

39. ENTIRE AGREEMENT:

a. This lease constitutes the entire agreement between Landlord and Tenant regarding the subject matter hereof and supersedes all oral statements and prior writings relating thereto. Except for those set forth in this lease, no representations, warranties, or agreements have been made by Landlord or Tenant to the other with respect to this Lease or the obligations of Landlord or Tenant in connection therewith. Landlord and Tenant agree that this writing shall be adopted by both parties as a complete and exclusive statement of the terms of the agreement.

b. Landlord and Tenant expressly disclaim any implied warranties that the Property is suitable for Tenant's intended commercial purpose.

[The remainder of the page left blank intentionally]

IN WITNESS WHEREOF, the parties have executed this agreement in duplicate on the date shown below their signatures on attached pages hereto...

LANDLORD

SHELTER INVESTMENTS, LLC
111 N. Peters, Suite 101
Norman, OK 73069

By:



James L. Adair, Agent

TENANT

THE CITY OF NORMAN

MAYOR

ATTEST:

CITY CLERK

APPROVED as to form and legality this _____ day of _____, 2020.

CITY ATTORNEY



The City of
NORMAN

201 West Gray, Bldg. C - P.O. Box 370
Norman, Oklahoma 73069 - 73070

OFFICE OF THE FINANCE DIRECTOR
Phone 405-366-5413
FAX: 405-366-5417

September 22, 2020

Re: Self-Insurance

To Whom It May Concern:

The City of Norman elects to self-insure its worker's compensation coverage, its **vehicle accident coverage** (no third party comprehensive coverage) and liability for bodily injury or property damage to third parties in connection with accidents arising out of Norman's Operations. The limits of coverage meet or exceed limits required by the State of Oklahoma for municipalities. The statute limits liability for a city the size of Norman to \$125,000 for any claimant for his claim arising out of a single act, accident or occurrence, and \$1,000,000 for any number of claims arising out of a single occurrence or accident. 51 O.S. § 154 (A).

The City purchases fidelity coverage for its employees.

Further, the City self-insures employee health and dental claims.

If you have any questions please contact Clint Mercer at (405) 217-7720.

Sincerely,

Clint Mercer, CPA
Chief Accountant

