

GROUND SUB-LEASE

THIS GROUND SUB-LEASE (the "Lease") is entered into and made effective as of August 17th, 2020 (the "**Effective Date**"), by and between:

- (1) The City of Norman, Oklahoma, a municipal corporation ("**Lessor**"), and
- (2) Youth Scoreboards, L.L.C., an Oklahoma limited liability company, its successors, and assigns ("**Lessee**").

RECITALS:

WHEREAS, Lessor owns real property for the baseball/softball fields it operates in the City of Norman, and the state of Norman (the "**Baseball/Softball Field Sites**").

WHEREAS, Lessee desires to provide Lessor with a total of fourteen (14) baseball/softball scoreboards and video boards owned by Lessee (the "**Scoreboards**") for use at the Baseball/Softball Field Sites, each of which are subject to the terms of this lease upon installation.

WHEREAS, Lessor desires to lease to Lessee fourteen (14) sections of land at the Baseball/Softball Field Sites (one section at each baseball field) with dimensions of approximately 20 feet by 20 feet, more or less, for the placement of the Scoreboards (a depiction of the Baseball/Softball Field Sites marking the fourteen sections of land to be leased is attached hereto as Exhibit 1) (the "**Leased Premises**"); and

WHEREAS, Lessee desires to lease the Leased Premises from Lessor.

NOW THEREFORE, in consideration of the foregoing recitals, of mutual promises of Lessor and Lessee, and of other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Lessor and Lessee agree as follows:

ARTICLE 1: Leased Premises; Authority to Lease

1.1 LEASE: Lessor hereby leases to Lessee the Leased Premises located on the Baseball/Softball Field Sites. Lessee takes the Leased Premises "as is" as of the Effective Date.

1.2 AUTHORITY: Lessor shall obtain all consents required by its lenders and any other applicable regulating bodies or authorities, as the case may be, to enter into this Lease.

ARTICLE 2: Term and Termination

2.1 INITIAL TERM: The initial term of this Lease is ten (10) years and shall commence on the Effective Date and expire on August 16th, 2030 (the "**Term**").

2.1(a) RENEWAL TERM: The renewal term of this Lease is ten (10) years and shall commence on the expiration date of the Initial Term.

2.1(b) AUTOMATIC RENEWAL SUBJECT TO APPROPRIATION: Upon appropriation each fiscal year, this agreement automatically renews unless written notice of termination is received by the other party a minimum of six months prior to the termination date.

2.2 TERMINATION: Lessee or Lessor may terminate this Lease upon thirty (30) days' prior written notice in the event that Lessor or Lessee determines that this Lease no longer beneficial to the parties hereto, or either of them.

ARTICLE 3: Use of Leased Premises

3.1 PERMITTED USE; DAILY OPERATIONS AND COSTS:

(a) Lessee shall use the Leased Premises solely for the installation and maintenance of the Scoreboards, and for any other use necessary or ancillary to the installation and maintenance of the Scoreboards.

(b) The day-to-day operation of the Scoreboards shall be performed by Lessor, at Lessor's cost, in accordance with manufacturer's instructions, requirements and recommendations. Lessor agrees to provide all electrical power required to operate the Scoreboards and Lessor shall be responsible for the costs associated with bringing the electrical power to the Scoreboards and the cost of electricity to operate the Scoreboards. Lessor shall be responsible for updating the Scoreboards on a real-time basis. Lessor shall safely store all remote control devices for each of the Scoreboards and shall pay any and all costs associated with the loss, damage, and/or replacement of any remote control device.

3.2 REPAIRS; MAINTENANCE: Lessor, at Lessor's cost, shall be responsible for the performance of all minor maintenance and repair of the Scoreboards, including all associated costs of such maintenance and repair. Lessee shall be responsible for the performance of all other maintenance and repair of the Scoreboards, including the repair or replacement of defective products or parts, and the associated costs thereof.

3.3 SUBSTANTIAL REPLACEMENT: Notwithstanding the provisions of Section 2.1 (b), and subject to annual appropriation, if the Lessee performs Substantial Replacement on the installations an additional Term of 10 years shall be added to the length of this agreement. Substantial Replacement occurs if the Lessee is required to replace, add or upgrade elements in which the amount would be in excess of 50% of the original installation cost as defined in par. 2.2.

ARTICLE 4: Ground Lease Fee

4.1 GROUND LEASE FEE: Lessee shall pay to Lessor an annual fee of ONE DOLLAR per year (\$1.00) (the "**Ground Lease Fee**").

4.2 PAYMENT OF GROUND LEASE FEE: The Ground Lease Fee shall be due on December 1 of each year during the Term of the Lease.

ARTICLE 5: Advertising; Revenue Sharing; Promotion

5.1 ADVERTISING: The parties agree that Lessee shall have the exclusive right to sell advertising space to be displayed on each of the Scoreboards, as well as the foul poles currently existing at each Baseball Field Site. Lessor shall not solicit existing or potential purchasers of advertising space without the prior written consent of Lessee. All advertising sales shall be completed by Lessee and pricing for advertising space shall be determined by Lessee. Lessee shall not display advertising for alcohol or for products sold in forms meant for consumption by smoking or vaping. Pre-approved Community related announcements will be aired on the video boards at no charge to the Community.

5.2 SHARING OF NET REVENUE: "Net Revenue" under the terms of the Ground Lease, shall be the total advertising revenue derived from each installed Scoreboard net of all costs associated with each installed Scoreboard. Within ninety (90) days from the end of each calendar year during the Term, Lessee shall deliver to Lessor, an amount equal to 20% of the Net Revenue (the "Revenue Share Payment") for the prior year. Net cost includes necessary and related Scoreboard, Video Board, Freight, Installation, Warranties, Maintenance, Sales, Administrative, Legal, and Miscellaneous. Lessee will provide a statement showing gross advertising revenue, all items of cost and net advertising revenue to Lessor with each Revenue Share Payment.

5.3 PROMOTIONAL MATERIAL. Lessor shall provide space at each Baseball Field Site for banners and other advertising material promoting Lessee and its role in providing the Scoreboards for Lessor's use.

ARTICLE 6: Ownership Rights

6.1 OWNERSHIP OF SCOREBOARDS: The Scoreboards on the Leased Premises and all equipment used in connection with installing, operating and maintaining the Scoreboards are owned by Lessee and shall continue to be owned by Lessee throughout the Term of this Lease.

6.2 SURRENDER OF LEASED PREMISES UPON EXPIRATION OF LEASE TERM: Upon the expiration of the Term, Lessee shall surrender the Leased Premises to Lessor, cause the removal of the Scoreboards and all related equipment, and Lessee shall have no right to further occupy the Leased Premises.

ARTICLE 7: Liability, Damage, Insurance, Taxes

7.1 LESSEE'S LIABILITY; LESSOR'S LIABILITY: Lessee assumes sole responsibility and liability to all employees, agents, representatives, invitees, guests, customers and licensees of Lessee who come upon the Leased Premises and shall defend, indemnify, and hold Lessor harmless against all liability and claims for injury or damage to said persons or their property. Lessor assumes sole responsibility and liability to all employees, agents, representatives, invitees, guests, customers and licensees of Lessor who come upon the Leased Premises and to the extent permitted by law, including the Constitution of the State of Oklahoma, shall defend, indemnify, and hold Lessee harmless against all liability and claims for injury or damage to said persons or their property.

7.2 PAYMENT BY LESSOR: If Lessor is required to pay any sum that is Lessee's responsibility or liability, Lessee shall reimburse Lessor for the payment and for reasonable expenses caused thereby. If Lessee is required to pay any sum that is Lessor's responsibility or liability, Lessor shall reimburse Lessee for the payment and for reasonable expenses caused thereby.

7.3 PROPERTY TAX: Lessor shall be responsible for all ad valorem taxes and special taxes or assessments that are attributable to the Leased Premises during the Term.

ARTICLE 8: General Provisions

8.1 NOTICE: Any notices required or permitted to be given hereunder shall be deemed to have been duly given if in writing and (i) delivered personally; (ii) sent by United States first class mail, postpaid, addressed; (iii) delivered by facsimile with confirmation receipt; or (iv) by email with a return email from recipient confirming receipt (automatic "read receipt" is not sufficient to confirm receipt by email delivery) to the following addresses:

To Lessor:

Jason Olsen
Recreation Superintendent
201 W Gray St. Bldg. C
Norman, OK 73069
Email: jason.olsen@normanok.gov

To Lessee

Youth Scoreboards, L.L.C.
c/o Mike Henry
3655 S. Lewis Avenue
Tulsa, Oklahoma 74105
Email: mikehenry1212@gmail.com

8.2 ASSIGNMENT: Neither party shall assign, sublease, sell, or otherwise convey any of their rights under this Lease without the prior written consent of the other party except Lessee may assign this Agreement to any third party which acquires all, or substantially all, of its assets.

8.3 SEVERABILITY: In case any one or more of the provisions or parts of a provision contained in this Lease is, for any reason, held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision or part of a provision of this Lease.

8.4 WAIVER: The waiver by Lessor at any given time of any term or condition of this Lease, or the failure of Lessor to take action with respect to any breach of any the term or condition, shall not be deemed to be a waiver of the term or condition with regard to any subsequent breach of the term or condition, or of any other term or condition of the Lease.

8.7 HEADINGS: The headings appearing in this Lease are for convenience only, and are not a part of this Lease and do not in any way limit or amplify the terms or conditions of this Lease.

8.8 ENTIRE AGREEMENT: This Lease sets forth the entire agreement between Lessor and Lessee with respect to the leasing of the Leased Premises. It is binding upon and inures to the benefit of these parties and, in accordance with the provisions of this Lease, their respective successors in interest. This Lease may be altered or amended only by written notice executed by Lessor and Lessee or their legal representatives or, in accordance with the provisions of this Lease.

8.9 GOVERNING LAW; JURISDICTION: This Lease shall be construed in accordance with and governed for all purposes by the laws of Oklahoma, except for any conflict of law rule that would cause the law of another jurisdiction to apply. Any dispute arising hereunder shall be referred to and heard in a court located in Oklahoma County, Oklahoma.

~~8.10 MEMORANDUM OF LEASE: The parties agree to execute a Memorandum of Lease. The Memorandum of Lease shall not set forth the rent or other charges payable by Lessee under this Lease and shall expressly state that it is executed pursuant to the provisions contained in this Lease, and is not intended to vary the terms and conditions of this Lease.~~

CCJ pm eHt

8.11 Successors. This Agreement will inure to the benefit of and be binding upon the parties hereto and their respective heirs, legal representatives, successors and assigns.

IN WITNESS WHEREOF, the parties have executed this Lease as of the Effective Date.

LESSOR:

CITY OF NORMAN, OKLAHOMA, a municipal corporation

BY:

Brea Clark, Mayor

ATTEST: _____

Brenda Hall, City Clerk

Approved as to form and legality this 24th day of August, 2020.

Beth Shuckala

Office of the City Attorney

LESSEE:

YOUTH SCOREBOARDS, L.L.C., an Oklahoma
limited liability company

BY: _____

Mike Henry
MIKE HENRY, MANAGER