

OAK CREST SHOPPING CENTER
Standard Lease Agreement

THIS AGREEMENT is made this 11 day of June, 2017, between **PEYDAY REALTY, LLC.**, an Oklahoma Corporation, as Lessor, and City of Broken Arrow, a Municipal Corporation, as "Lessee."

WITNESSETH: For and in consideration of the mutual covenants herein contained, Lessee and Lessor agree as follows:

1. **LOCATION.** Lessor leases to Lessee and Lessee leases from Lessor a portion of a building located on the northeast corner of Main Street and Richmond Street, City of Broken Arrow, Tulsa County, Oklahoma, and known as the **OAK CREST SHOPPING CENTER**. Such portion being hereafter referred to as the "Premises" and being more particularly described as 1635 South Main Street, Broken Arrow, Oklahoma, Space Number 2, as shown on the Plot Plan marked Exhibit "A" attached hereto and made a part hereof.

2. **RENT.** Lessee agrees to pay a minimum fixed rent of:

Year 1: \$2,500.00 per month;
Year 2: \$2,600.00 per month; and
Year 3: \$2,700.00 per month.

payable in advance in monthly installments on the first day of each and every calendar month during the entire term of this Lease. Said payments shall be made without any counter-claims, set-off or deduction whatsoever to Lessor and mailed to Lessor at P.O. Box 1422, Jenks, Oklahoma, 74037, unless the Lessor designates in writing a different mailing address.

3. **SECURITY DEPOSIT.** Lessee has deposited with Lessor the sum of Zero and No/100 dollars (\$0.00) as security for the faithful performance and observance by Lessee of the terms, provisions, covenants, and conditions of this Lease. Lessor may use, apply, or retain the whole or any part of the security so deposited to the extent required for the payment of any rent or any other sum whatsoever which Lessor may expend by reason of Lessee's default of this Lease or by reason of, in Lessor's sole judgment, any repairs necessary to put the Premises in the condition in which it is to be surrendered by Lessee to Lessor as set forth in Section 22, **SURRENDER OF PREMISES**, of this Lease. In the event that Lessee shall fully and faithfully comply with all of the terms, provisions, covenants, and conditions of this Lease, and subject to the conditions as herein provided, the security deposit shall be returned to Lessee within sixty (60) days after the expiration of this Lease or any extensions or renewals thereof and after delivery of entire possession of the Premises. The security deposit shall not be used by Lessee to replace the last month's rent.

4. **TERM.** The term of this Lease shall be for a period of three (3) years, beginning on the 1st day of April, 2017, subject to renewal on a yearly basis as provided for in the City of Broken annual budget, hereinafter referred to as the "commencement date" and ending March 31, 2020. The Lease shall terminate on June 30th of any year in which the City does not appropriate funds for the Lease for the next fiscal year.

5. **TENANT'S INSTALLATION.** Except as provided for initially by Lessor, Lessee at its own expense shall provide, install, and maintain all necessary store fixtures, light fixtures, floor coverings, interior painting and decorating, and other equipment required by Lessee. Lessee agrees to maintain, repair and replace, if necessary, all heating, ventilating and air conditioning equipment, including all duct work, located in the Premises at its own expense in accordance with generally accepted industry standards which shall include at least two (2) inspections by a licensed HVAC contractor, approved in writing by Lessor, per lease year and at all times comply with all local and federal codes pertaining to

such equipment. Lessee shall provide Lessor with written evidence of such HVAC inspections. It is understood that all heating, ventilating and air conditioning equipment, including all duct work and thermostats, now located or hereafter installed in the demised premises is the property of Lessor, and at the expiration of this Lease the Lessee shall not have the right to remove same.

6. SIGNS. Lessee shall maintain a sign on the face of the building in front of the Premises subject to the prior written approval of Lessor.

7. USE. Lessee agrees to continuously operate in the Premises during ordinary and regular business hours a business commonly known as a State of Oklahoma Department of Public Safety Office and Driver's License Testing facility and the City of Broken Arrow for the purposes of driver testing and all other functions that the Oklahoma Department of Public Safety may do at any of its locations in the State of Oklahoma and the City of Broken Arrow to do collection of utility payments in Tulsa County, Oklahoma. Lessee shall, at Lessee's sole cost and expense, promptly comply with all statutes, ordinances, rules, orders, regulations and/or requirements of all county, municipal, state, federal, and other applicable governmental authorities now in force, or which may hereinafter be in force, pertaining to the Premises and shall faithfully observe in the use of the Premises all municipal and county ordinances and state and federal statutes now in force or which may hereinafter be in force including all rules and regulations made by Lessor in connection with the general operation and development of the center.

8. COMMON AREAS. The premises constitute a part of an integrated commercial development and includes, for the use and benefit of Lessee jointly with other tenants of Lessor, walks, right-of-way access for delivery trucks, and public parking space and drives for the patrons of Lessee and other tenants. All parking areas, drives, approaches, entrances and sidewalks included in the development area, and sometimes referred to as common areas, are to be maintained by Lessor. Lessee shall pay Seven Thousand Two Hundred and No/100ths Dollars (\$7,200.00) to Lessor for the entire term hereof as Lessee's share of common area expenses, payable in advance in equal monthly installments of Two Hundred Dollars and No/100ths (\$200.00) on the first day of each and every calendar month during the term of this Lease, except that the first month's payment shall be paid in advance upon execution of this Lease. Such amount shall be paid, as additional rent, each month and at the time and in the manner provided for the payment of the fixed rent hereunder.

9. REPAIRS. Lessor is to keep in good repair all parts of the exterior of the building, including roof, gutters, walls, and storefronts, except exterior doors. Repair and replacement of plate glass shall be the responsibility of the Lessee as well as the repair of all damage to the premises (exterior or interior) caused by improper maintenance or replacement of equipment required to be maintained or replaced by Lessee as herein provided. Lessee shall keep all display windows, exterior electric signs, and exterior lighting, including soffit lights under any canopy in front of the Leased Premises lighted from dusk until dawn every day, including Sundays and holidays. Lessee shall be held fully responsible for any and all damages, losses, and expense in any manner incurred by Lessor for any damage caused to the roof of the Shopping Center by the acts or omissions of Lessee or its agents, representatives, contractors, and employees. All pest control, including termite control and protection, shall be the responsibility of Lessee. Lessee is to keep in good repair all of the interior portions of its Premises including all plumbing lines and fixtures, floor coverings, ceilings, hot water heaters, electrical fixtures, electrical wiring, and upon termination hereof agrees to deliver to Lessor the Premises in as good a condition as accepted hereunder with the exception of usual wear and tear. Lessee has inspected the Premises and accepts the Premises in its "as is" condition on the date hereof unless by separate written agreement or by further provision herein alterations to be made by Lessor are specifically set forth and agreed to by both parties. In the case of utilities, Lessee's responsibility for repair shall include all meters servicing the Premises and all service lines, plumbing lines, and wiring from said meters to the Premises. If Lessee fails to promptly perform any maintenance or repair required to be performed by it under this Section and Section 5, TENANT'S INSTALLATION, Lessor may do so upon reasonable notice to Lessee, in which event Lessee shall reimburse Lessor for its cost incurred.

Lessee acknowledges that the sprinkler system presently located within Space Number 2 is connected to and is a part of a "common sprinkler system" serving all of Space Numbers 1, 2, and 2B. During the term of the Lease, Lessee shall maintain and repair, at its sole cost, risk, and expense, said sprinkler system insofar, and only insofar, as the same is located within Space Number 2, provided however, Lessee shall bear its proportionate share of the cost, not to exceed \$500.00 per year, of maintaining the sprinkler system controls (such maintenance shall include an annual inspection performed by a contractor approved by Lessor) which are located within Space Number 1, such pro rata share to be based on the square foot area of Space Number 2 bears to the total square foot area of all Space Numbers 1, 2, and 2B.

10. ALTERATIONS. Lessee, at its sole cost and expense, may alter or remodel the interior of the Premises in connection with the operation of its business, provided the structural strength of exterior appearance of the building is not impaired and subject to Lessor's written approval. Lessee may place in the Premises such fixtures and equipment as it shall deem desirable and may remove from the premises at any time any or all equipment, fixtures, or property; provided, however, that any permanent improvements, including wall to wall carpeting, placed therein by Lessee shall become the property of the Lessor and provided that any damage caused to the Premises by the removal of any property shall be repaired by the Lessee at its sole expense. See Section 22, SURRENDER OF PREMISES.

11. LIABILITY. Lessor shall not be liable for any damages to the Premises of whatsoever nature unless the same results directly from Lessor's negligence. All personal property of any kind or description whatsoever in the Premises shall be at the Lessee's sole risk, and the Lessor shall not, under any condition, be liable for any damage done to, or loss of, such personal property. Lessee shall take good care of the Premises but shall not be liable for any general damage to the premises which may be caused by or arise out of ordinary usage, deterioration or casualty excepting only that damage which is directly caused by Lessee's negligence or Lessee's invitees.

12. EMINENT DOMAIN. Should the Premises or any part thereof be taken by public authority under the power of eminent domain, sufficient to cause material interference with the conduct of Lessee's business, the rent shall be paid to the day of the loss of possession and of that part of the premises which shall be required for such purposes and from that day Lessee shall have the right to either cancel this Lease and declare the same null and void or to continue in the possession of the remainder of the same under the terms herein, provided that the rental shall be reduced in proportion to the amount of the premises taken. Any damages awarded as compensation for the diminution in value of the fee of the premises herein leased shall be awarded to Lessor. All awards made for the loss of business and cost of removal of the stock and fixtures shall belong to Lessee. The term "material interference" is intended herein to mean interference to such extent that Lessee's business would be materially and noticeably diminished.

13. DEFAULT. The following shall be defaults under this Lease:

a. Failure by Lessee to pay any rent or other amount when due hereunder within ten (10) days after Lessee's receipt of written notice of non-payment, provided however, Lessor shall not be required to give notice of non-payment on more than two occasions during any calendar year. For each written notice of default that Lessor sends to Lessee in connection with Lessee's breach of any obligation or condition of this Lease, Lessee shall pay to Lessor, as additional rent, the sum of \$50.00 (subject to increase over the term), due and payable by Lessee together with the next due installment of base rent;

b. Failure by Lessee to perform or observe any other provision of this Lease for more than 20 days after written notice of such failure, except that Lessee shall not be in default if Lessee commences corrective action within said 20 day period and thereafter continues the same with due diligence to completion;

c. The bankruptcy or insolvency of Lessee, or the filing by or against Lessee of a petition in bankruptcy or for reorganization or arrangement, or the appointment of a receiver or trustee of all or a portion of Lessee's property, or Lessee's assignment for the benefit of creditors; or

d. Lessee shall abandon Premises, or if this Lease is taken under any writ of execution.

In such event, Lessor, in addition to all other rights or remedies it may have, shall have the right to immediately terminate this Lease and re-enter and take possession of the Premises, remove all persons and property from the Premises and store such property at Lessee's expense, all without notice or resort to legal process and without being deemed guilty of trespass or becoming liable for any loss or damage occasioned thereby. If Lessor so elects, it may sell such property at public auction or private sale and apply the net proceeds to the payment of all sums due to Lessor, if any, and pay the balance, if any, over to Lessee.

In the event this Lease shall terminate pursuant to the provisions herein Lessor, may, at its option, declare the entire amount remaining unpaid plus any and all cost incurred by Lessor for tenant improvements and/or any free rent concessions given by Lessor under this Lease Agreement immediately due and payable without notice to the Lessee. Lessee agrees to pay said amount in full plus any damages suffered by Lessor as a result of any breach of default of said Lease Agreement.

14. CASUALTY. It is agreed that in the event of fire or other destruction of the building whereby occupancy of the Premises by Lessee is not reasonably possible, Lessee shall be relieved of paying any payments due hereunder during the term necessary for the repair or rebuilding of the structure provided, however, in no event shall such term be more than six (6) months. In the event of an occurrence as herein stated, Lessor may at its option cancel this Lease and the same shall be null and void thereafter, or Lessor may notify Lessee within thirty (30) days from the occurrence of such event of its intent to repair or rebuild the structure. It is understood that the Premises as rebuilt will be substantially the same as at the beginning of the term hereof, and Lessee shall be responsible for all fixtures, equipment, and other items necessary for the maintenance of its business not incorporated as a part of the Premises pursuant to the terms hereof.

15. PROPERTY LOSS AND LIEN CLAIMS. All property kept, stored, or maintained in the Premises shall be so kept, stored, or maintained at the sole risk of Lessee. Lessee agrees to pay and discharge any mechanic's or material man's lien or other lien against the Premises or Landlord's interest therein claimed in respect of any labor, services, materials, supplies, or equipment furnished or alleged to have been furnished to or upon the request of Lessee, provided that Lessee may contest such lien claim and provided the Lessee shall first discharge the property from such lien by furnishing and filing at its own expense, in the name of the Lessee or in the name of the Lessor as may be required, a surety bond for that purpose as authorized by Title 42 Oklahoma Statutes Annotated, § 147.

16. SUBORDINATION. Lessee agrees that this Lease is and shall be subordinate to any bona fide mortgage which has been or which hereafter be placed upon the Premises, provided that any such mortgage shall give Lessee the right to remain in the premises under the terms of this Lease so long as Lessee is current in the performance of all of Lessee's obligations notwithstanding any default on the mortgage by Lessor. Lessee agrees to execute any documents in addition to this Lease which may be required to effectuate such subordination, and failing to do so within ten (10) days after written demand, does hereby make, constitute, and irrevocably appoint Lessor as Lessee's attorney-in-fact and in Lessee's name, place and stead so to do. At any time and from time to time, Lessee agrees upon request in writing

from Lessor to execute, acknowledge, and deliver to Lessor a statement in writing certifying that this Lease is unmodified and in full force and effect (or if there have been modifications, that the same is in full force and effect as modified and stating the modifications) and the dates to which fixed rent and other charges have been paid.

17. LESSEE'S TAXES. Lessee shall be liable for all taxes levied against personal property and trade fixtures placed by Lessee in or about the Premises. Lessee in this case is a governmental entity and not subject to taxes.

18. LESSEE HOLDING OVER. In the event Lessee remains in possession of the Premises after expiration of the tenancy created hereunder, and without the execution of a new Lease, it shall be deemed to be occupying said premises as a Lessee from month to month, at the total monthly payment, subject to all the other conditions, provisions, and obligations of this Lease, insofar as the same are applicable to a month-to-month tenancy.

19. UTILITIES. Lessee shall, upon the execution of this Lease, have all utilities to the Leased premises placed in the name of Lessee and shall be solely responsible for and promptly pay all charges for water, gas, electricity, garbage collection, or any other utility used or consumed in the Premises.

20. LATE CHARGE. Lessee agrees to pay, as additional rent, a "late charge" equal to ten percent (10%) per month of the total monthly payment of rent, CAM, and other charges as herein provided when any monthly installment is paid more than ten (10) days after due date thereof. It is hereby understood that all late charges are for extra expenses incurred by the Lessor and shall not be considered interest.

21. RIGHT OF ENTRY BY LESSOR. Lessor may enter upon the Premises to inspect the same and to determine Lessee's compliance with the provisions of this Lease.

22. SURRENDER OF PREMISES. For the period of six (6) months prior to the expiration of the term of this Lease or any renewal or extension thereof, Lessor shall have the right to display on or about the Premises the customary sign "FOR LEASE" and during such period Lessor may show the Premises and all parts thereof to prospective tenants during normal business hours. By not later than 5:00 p.m. on the last day of the term of this Lease, any renewal or extension thereof, or agreed upon holdover period, Lessee shall peaceably surrender the Premises in good order, condition, and repair, broom-clean, and reasonable wear and tear only excepted. Lessee shall, at such time and at its expense, provide Lessor with written certification from a licensed heating and air conditioning contractor, approved in writing by Lessor, that all HVAC equipment is in good operating condition and that no exceptions to such condition exist including weather conditions and temperature. Lessee shall, at its expense, remove its trade fixtures (not including floor covering and lighting fixtures and equipment) and signs from the Premises and any property not removed shall be deemed abandoned unless Lessor specifically requires such removal. All permanent improvements such as partitions, etc., shall remain the property of Lessor unless Lessor specifically requests such improvements to be removed. All damage caused by any removal of any kind shall be repaired by and at Lessee's expense. All damage other than normal wear and tear to floor, walls, ceiling, light fixtures, plumbing and electrical systems shall be repaired by and at Lessee's expense. Lessee shall indemnify Lessor against loss, liability, or expense resulting from delay by Lessee in surrendering the Premises, or failure to leave the Premises in the condition required hereunder including but not limited to claims made by any succeeding Lessee founded on such delay.

23. NOTICES. Any notice required or permitted by this Lease to be given shall be deemed to have been given if deposited in any U.S. Post Office with postage for certified mail prepaid, and addressed as follows:

To Lessor: PEYDAY REALTY, LLC.
P.O. Box 1422
Jenks, Oklahoma 74037

To Lessee: CITY MANAGER
220 South First Street
Broken Arrow, Oklahoma 74012

24. MISCELLANEOUS. Notwithstanding anything contained in the Lease to the contrary, Lessee shall lease and accept the Premises pursuant to this Lease, in its present "as-is" condition, with all faults, and acknowledges that Lessor has not made any representations or warranties regarding the condition, state of repair, fitness or merchantability of the Premises or any component part thereof. Lessee further acknowledges that Lessor has not agreed to make any repairs, improvements, alterations or betterment's to the Premises as a condition to or in connection with the Lease. Without limitation, Lessor has not made any representations, warranties or agreements with Lessee, with respect to any of the fixtures, furniture, equipment and other tangible personal property presently located within the Premises, which Lessee has acquired from Lessor. Lessor shall have no liability or obligation whatsoever unto Lessee resulting from the removal of any of such fixtures, furniture, equipment and other tangible personal property from the Premises.

This agreement comprises the full understanding between the parties, and no modification of the terms hereof shall be binding on either party unless reduced to writing and signed by both parties hereto. All provisions hereof shall be binding and inure to the benefit of the heirs, trustees, legal representatives, successors and assigns of both parties. Lessee does not have the right to assign its interest hereunder or to sublet the Premises without prior written approval of Lessor.


It is agreed that this Lease Agreement shall be null and void unless properly executed by the parties hereto on or before June 11th, 2017.

IN WITNESS WHEREOF, the Lessor and Lessee have duly executed and affixed their hands and seals to this Lease on the day and year hereinabove first written.

CITY OF BROKEN ARROW, a Municipal Corporation

PEYDAY REALTY, LLC.

By: _____
Mayor
"LESSEE"

By:  _____
Jonathan Peyravy
"LESSOR"

Attest:

City Clerk

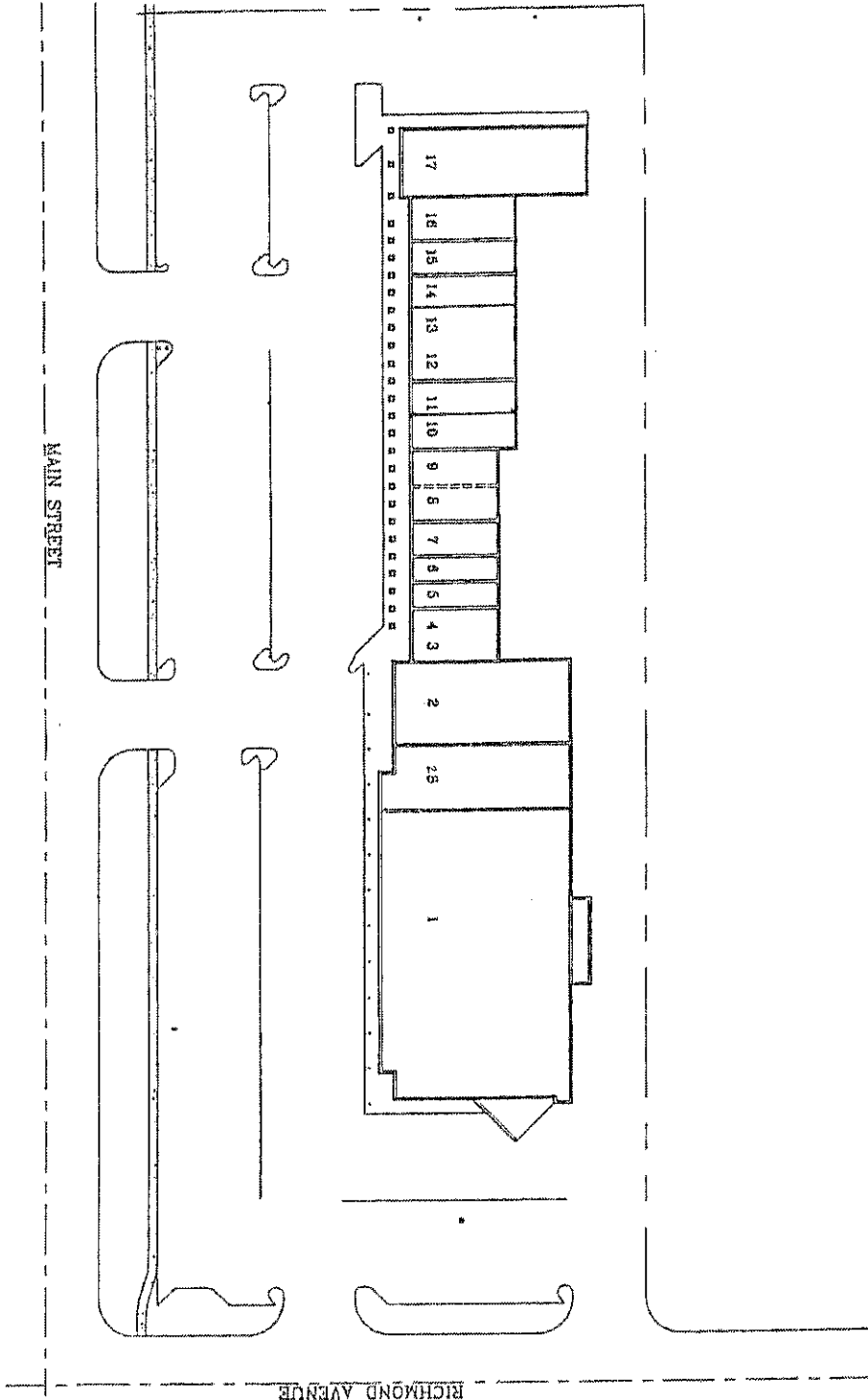
APPROVED AS TO FORM:



ASSISTANT CITY ATTORNEY

EXHIBIT "A"

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OAKCREST SHOPPING CENTER



UNITED
PROPERTIES
INC.

RICHMOND AVENUE

MAIN STREET