THIS LEASE AGREEMENT (hereinafter referred to as "Lease") is entered into by and among The City of Midwest City, a municipal corporation (hereinafter referred to as "City"), and the City of Spencer, (hereinafter referred to as "Lessee") (City, and Lessee being collectively referred to herein as the "Parties") and is effective upon the date of execution by the last party hereto.

WITNESSETH:

WHEREAS, City owns, operates certain property within the corporate city limits for the City, as identified in Attachment "A" (hereinafter known as "Premises"); and

WHEREAS, the Lessee wishes to lease the property identified in Attachment "A" from the City; and

WHEREAS, CITY grants permission for use of their property which do not conflict with their primary purpose and uses; and

WHEREAS, the Lessee has contacted the City and requested use of the Premises for a use or uses that do not conflict with the City's primary purposes and use; and

NOW THEREFORE, CITY, and Lessee agree as follows:

1. PERMIT

- A. Subject to the conditions and limitations in this Lease, the City does hereby permit Lessee to enter and access the Premises. Lessee will be permitted to enter and access the Premises for the purpose of operating and maintaining the City's former Animal Shelter, (herein after known as Facilities). The Facilities will include only such equipment, improvements, as specifically described on Attachment "B" (Facility Specifications). Vehicle access by the Lessee and its contractors, agents and employees to and within the Premises will only be permitted on permanently created roads and paved driving surfaces. If the roads and/or paved driving surfaces becomes unavailable, the Parties agree to designate a mutually acceptable alternate access to the Premises.
- B. This Lease is expressly limited to provide Lessee permission only to the extent Lessee's use does not interfere with the use of the Premises by City and the City's public trusts of which the City is a beneficiary. This Lease is subject and subordinate to the rights of City to

the use of the Premises which will be dominant over all rights of Lessee.

C. This Lease hereby closes and supersedes all previous agreements between the Parties as to the specific Facilities identified in this Lease.

2. TERM

Subject to the prompt and timely payment of Consideration as set forth in Paragraph 3 (B):_

A. The initial term of the **Lease** is for one year beginning on April 1, 2023 and ending at 11:59 p.m. Central Daylight Time) on March 31, 2024.

B. The **Parties** agree that at the end of the initial term, this **Lease** may be extended by up to five (5) additional one-year terms. Any **Lease** extension shall be in writing and executed by the **Parties**.

C. This **Lease** is also subject to termination for breach of this **Lease** and as set forth herein.

3. CONSIDERATION

A. Rent is payable annually with the first annual rental payment of twenty-thousand and seventy-five dollars (\$20,075.00) is due to the **City** by the **Lessee** on or before April 1, 2023. Any subsequent annual rental payment is due on or before April 1st of any subsequent year. After the third annual rental payment, the annual rent may be increase in accordance with the Oklahoma area regional Consumer Price Index (CPI).

B. Provided, however, should the **City** terminate this **Lease** for any reason other than breach by **Lessee** prior to the expiration of the initial term of this **Lease** or any renewal term for which consideration has been prepaid, the **City** will reimburse the **Lessee** for a pro rata share of the prepaid consideration for the prepaid unexpired term.

4. FACILITIES

A. Approval Required Prior to Alterations and/or Repairs:

- i. It shall be the Lessee's responsibility to obtain permits from the City for any repairs or alterations to the building where such permission is necessary by law. The City must approve plans for any repairs or alterations to the Facilities prior to the Lessee seeking permit for same. Lessee shall obtain a Certificate of Occupancy prior to occupying the Facilities.
- ii. If any changes to the **Premises** are made, the **Lessee**, at its sole cost and expense, must provide **City** with updated As-Built drawings in the latest AutoCAD format compatible with **City**'s current software, which drawings will depict the components and locations of all of **Lessee**'s **Facilities** upon the **Premises**.
- B. <u>Fencing of Facilities:</u> In an effort to prevent theft and vandalism and to protect the public, Lessee must, at its sole expense maintain the fencing around the perimeter of the **Premises**.

5. FACILITIES REQUIREMENTS AND TESTING

C. The Lessee will operate and maintain the Facilities in accordance with all applicable local, state, and federal regulations, codes and laws and City standards. Lessee must operate the Facilities in such a manner that said Facilities do not interfere with the operations of City on the Premises, if any. Whenever the City notifies Lessee in writing that the Facilities interfere with the operation of the systems of City, Lessee will have 72 hours to cease or cure the interference.

D. 6. MAINTENANCE OF FACILITIES

Lessee must keep and maintain the Facilities located on the Premises in a safe condition and in good repair. In addition, Lessee must maintain throughout the terms of this Lease and must surrender upon the revocation, termination, expiration, or non-renewal of this Lease the Premises and in a clean and orderly condition.

Lessee is responsible for keeping the Premises mowed in a condition that meets the City's Ordinance requirements.

Lessee will leave all property disturbed by Lessee in a solid and safe condition. Lessee must:

- i. promptly backfill all trenches;
- ii. repair all cracking, shrinkage or other damage to driveways or sidewalks caused by Lessee's boring or construction;
- iii. fill and re-fill all holes caused by shrinkage or compaction;
- iv. remove all excess dirt created by Lessee; and
- v. promptly restore all sod areas by placing slab sod on all disturbed areas and provide or arrange for regular watering until the sod is established.

All such restoration will be subject to the inspection and approval of the City. If Lessee fails to make any restoration or do any work required by this paragraph of the Lease within 72 hours after receipt of written notice from City, then the City will have the right, but not the obligation, to make such restorations or do such work at the expense of Lessee, and Lessee must reimburse the City for the cost and expense of such repairs or work, plus fifteen percent (15%) for administration and overhead, within sixty (60) days of written notice of said costs and expenses. However, if Lessee is prevented from restoring or doing such work because of conditions beyond Lessee's control, Lessee, upon written request to the CITY Utilities Director prior to the expiration of the 72 hour notice, may be given a reasonable amount of time to perform said restoration or work as determined by the City.

7. REPLACEMENT OF FACILITIES/EQUIPMENT

Subject to the provision of this paragraph and other paragraphs in the Lease, Lessee may replace initially installed Facilities with similar and comparable Facilities, provided said replacement Facilities do not interfere with City's use of the Premises. In the event Lessee deems it prudent or necessary to replace the Facilities, Lessee must notify the City in advance of said replacement(s), and the City shall determine whether such replacements constitute the need for an amendment to the Lease. If the Facilities replacements are permitted under the same or similar terms as this Lease the City may give written approval. Nothing in this paragraph authorizes the installation of additional Facilities by Lessee.

8. ABANDONMENT/REMOVAL

Upon termination, revocation, non-renewal, or expiration of this Lease, Lessee must, at its option: (1) remove the Facilities within ninety (90) calendar days; or (2) abandon any portion of the Facilities in place and secure all Utility Services. Notwithstanding any provision in this Lease, all Facilities timely installed by Lessee will remain the personal property of the Lessee during the terms of this Lease, regardless of whether any applicable law classifies such Facilities as fixtures. The City consents to Lessee's right to remove all or any portion of the Facilities from time to time during the terms of this Lease in Lessee's sole discretion and without the City's consent. In the event that Lessee elects to remove the Facilities upon the expiration, non-renewal or earlier revocation or termination of this Lease, Lessee will, within ninety (90) calendar days of the date of such expiration, non-renewal, revocation or termination of this Lease, remove Lessee's personal property without damaging the Premises, or any property belonging to the City or the existing permittees. The City will continue to provide Lessee with access to the Premises as set forth in this Lease to permit Lessee to remove Lessee's Facilities within such ninety (90) day period. Any personal property of the Lessee not removed within ninety (90) days will become the property of City, without cost or charge to City, to dispose of in any way that meets the needs and requirements of the City. Should the City decide to dispose of such Facilities, Lessee will be liable and will reimburse the City for any expense or cost in removal or disposal of Lessee's Facilities either abandoned or not removed within the aforementioned ninety (90) days.

9. TERMINATION

This Lease will terminate at such time as: (1) the Lessee, of its own volition, ceases activities, or abandons use of said Facilities for a period of one (1) year; or (2) notice of nonrenewal of the Lease is given by Lessee; or (3) Lessee fails to timely make any annual, and Lessee has not cured said monetary default within thirty (30) days of receipt of written notice from the City; or (4) a breach (subject to any applicable cure period, if any) or default occurs as defined in this Lease; or (5) the City determines the Premises is necessary for purposes of the City. Should the CITY make a determination that the Premises is necessary for its purposes, this Lease is terminable by the City upon one hundred eighty (180) days written notice. In the event the CITY terminates this Lease upon one hundred eighty (180) days written notice upon a determination of need for the City's purposes, the CITY, will make a reasonable effort, if possible, to make available to Lesseelain an alternative existing location, if any reasonably practicable, to accommodate Lessee's needs for said Facilities. In addition to the foregoing and notwithstanding any provision contained in this Lease to the contrary, Lessee may, in Lessee's sole and absolute discretion and with sixty (60) day prior written notice to the City, terminate this Lease; without further liability by delivering prior written notice to City; provided, however, that, in such event, Lessee will pay fifty-five dollars (\$55.00) per day for the sixty (60) day period and receive a refund for the remainder of the annual rent payment. Additionally, the Lessee may receive the damage deposit if the Facilities are returned in as good or better condition as when first leased.

10. WATER QUALITY

Lessee's activities may not impact water quality.

11. RESTORATION

Upon the revocation, non-renewal, expiration, or termination of this **Lease** for any reason whatsoever, **Lessee** must restore the **Premises** to a condition equivalent to its original condition, reasonable wear and tear excepted.

12. INSURANCE

A. Lessee must provide and maintain at all times throughout the term of this Lease, and any renewal hereof, such *liability insurance in the amount of the limits of liability pursuant to the Oklahoma Governmental Tort Claims Act at 51 O.S. §151 et seq protecting the City from claims for bodily injury (including death) and or property damage arising out of or resulting from the Lessee's, and its employees, use and occupancy of the premises and the activities conducted thereon.*

A certificate of insurance evidencing the coverage required herein shall be provided to the City within five (5) days of the execution of this Lease.

B. Lessee shall require any contractor or subcontractor to obtain and maintain substantially the same coverage as required of Lessee.

The insurance requirements set forth herein must not be deemed to limit, affect, waive, or define any obligations of Lessee in any other paragraph of this Lease or any indemnification or insurance requirement in any other paragraph of this Lease. This paragraph must continue in full force and affect for any act, omission, incident or occurrence occurring or commencing during the term of this Lease. Further, the insurance coverage required by this paragraph will survive revocation, non-renewal, termination and expiration of this Lease for any occurrence or event occurring, initiated, or commencing prior to such revocation, non-renewal, termination and expiration or during the period in which Lessee is performing restoration or remediation of the Premise during which Lessee is removing or reclaiming its Facilities.

- C. Notwithstanding any other provision to the contrary, upon termination or lapse of insurance coverage required hereunder, this **Lease** may be terminated. Termination of this **Lease** pursuant to this paragraph must take precedence and supersede any other paragraph establishing the term of this **Lease**, establishing a procedure for revocation or termination, or requiring notice and/or providing an opportunity to cure a breach.
- D. The insurance limits in this paragraph in no way act or will be deemed to define or limit the right of **City** to recover damages, expenses, losses or for personal injuries, death or property damage pursuant to applicable law or the indemnification provisions or under any other paragraph or provision in this **Lease**.

13. INDEMNIFICATION

The **Parties** hereby acknowledge that each party is governed by the Oklahoma Governmental Tort Claims Act, at Title 51 of the Oklahoma Statutes, Section 151et seq. Each Party shall be responsible for the actions of their own employees, agents, and, to the extent permitted by law, contractor and subcontractors.

14. NOTICES

A. Notices and other communications to the **City** pursuant to the provisions hereof will be sufficient if sent by first class mail, postage prepaid, return receipt required, or by a nationally recognized courier service, addressed to:

The City of Midwest City, City Clerk 100 N. Midwest Boulevard Midwest City, OK 73110

respectively, and notices or other communications to the Lessee pursuant to the provisions hereof will be sufficient if by first class mail, postage prepaid, return receipt required, or by a nationally recognized courier service, addressed to:

The City of Spencer, City Clerk 8200 NE 36th Street Spencer, OK 73084

Any party hereto may change the address or addressee for the giving of notice to it by thirty (30) days prior written notice to the other parties hereto as provided herein. Unless otherwise specified in this **Lease**, notice will be effective upon actual receipt or refusal as shown on the receipt obtained pursuant to this paragraph.

15. ABIDES BY LAW

The **Lessee** must abide by the conditions of this **Lease**, the ordinances of **CITY**, and all laws and regulations of the State of Oklahoma and the United States of America ("Laws"), applicable to **Lessee**'s activities and **Lessee**'s use of the **Facilities**. **Lessee** will be responsible for securing any license, permits and/or zoning which may be required prior to commencement of installation of the **Facilities**.

16. LIMITATION

The **Lease** consideration and annual rental fee provided herein does not include or limit any remuneration or reimbursement for any loss, expense, or damages, if any, which may be caused by **Lessee** or incurred by the **City** hereunder or under any insurance or indemnification provision herein.

17. ASSIGNMENT AND SUBLEASE

Lessee may not assign or sublease its interest under this Lease without the prior written consent of the City. Any assignment or sublease shall become effective upon receipt of a request signed by authorized and empowered officers/agents of the Lessee and sublessee and provision by the sublessee of a certificate of insurance evidencing the insurance required by this Lease and upon approval of such sublease by City. The City may, but not required, to execute a letter approving either the assignment or sublease as provided herein on behalf of City. Upon approval of such assignment or sublease, Lessee will not be relieved of future performance, liabilities, and obligations under this Lease. City shall be provided with a copy of each written sublease agreement, and all amendments thereto, entered into by Lessee within forty-five (45) days after the entering into of same.

18. COMPLETE AGREEMENT

This is the complete agreement between the parties and no additions, amendments, alterations, or changes in this **Lease** shall be effective unless reduced to writing and signed by all parties hereto. Additionally, no statements, discussions, or negotiations shall be deemed or interpreted to be included in this **Lease**, unless specifically and expressly provided herein. The **City** hereby delegates to the City Manager all amendments and renewals to this **Agreement** for approval and execution, unless the amendment or renewal is required by City Ordinance to be approved and executed by the City Council.

19. TIME OF ESSENCE

For the purposes of this Lease, time shall be deemed to be of the essence.

20. MULTIPLE ORIGINALS

This Lease shall be executed in multiple counterparts, each of which shall be deemed an original.

21. NONINTERFERENCE

This **Lease** authorizes **Lessee** to use and occupy a portion of the **Premises** for the location of its **Facilities** only as provided herein. **Lessee**'s activities and use may not in any manner permanently or temporarily interfere with existing or future **City** uses of the **Facilities**, **Premises**, and **City** rights-of-way and public properties.

22. PROPERTY INTERESTS

Lessee acknowledges and agrees that the **Premises** are first and foremost the property of **City**, and that the **Lessee** is not granted any property interest therein or by the terms of this **Lease**.

23. ANTI-COLLUSION

Lessee agrees that it has not been and shall not be a party to any collusion with any of their officials, trustees, or employees of City as to the terms or conditions of this Lease, and has not and will not exchange, give or donate money or other things of value for special consideration to any officials, trustees, or employees of the City, either directly or indirectly, in procuring and execution of this Lease.

24. WARRANTY

Issuance of this **Lease** does not constitute or contain any express or implied warranties of title, interest, or right to possession of the **Premises** nor the physical condition of any property subject to this **Lease**. **Lessee** shall be responsible for identifying other property interests, permits, users, and licenses, if any, and arranging whatever additional permissions as may be required. The **Lessee** accepts the **Premises** "as is".

25. BREACH AND DEFAILT

A. A breach of any provision of this **Lease** shall act as a breach of the entire **Lease** unless said breach is expressly waived in writing by all other parties hereto. Failure to enforce or timely pursue any breach shall not be deemed a waiver of that breach or any subsequent breach. No waiver of any breach by any party hereto of any terms, covenants, or conditions herein contained shall be deemed a waiver of any subsequent breach of the same, similar, or different nature.

B. Further, except as otherwise specifically and expressly provided and any other paragraph hereto, should any party hereto fail to perform, keep or observe any of the terms, covenants, or conditions herein contained, this **Lease** may be terminated by any party not in default thirty (30) days after receipt of written notice and opportunity to cure, less and except as such lesser time is provided in this **Lease**.

C. Should the City breach this Lease, Lessee may only recover that proportion of the prepaid annual rental for the unexpired term. Lessee may not collect or recover any

other or additional damages, losses, or expenses.

26. ENVIRONMENTAL

- Lessee shall not permit any chemical substance or hazardous material A. to be brought upon, kept, or used in or about the Premises by Lessee, its officers, representatives, agents, employees, contractors, or invitees to escape the Premises. Lessee shall notify the City of the presence, even if temporary, of any chemical substance or hazardous material brought onto the Premises by Lessee, its officers, representatives, agents, employees, contractors, or invitees, except for storage, handling and use of reasonable quantities and types of such materials or substances used by Lessee in the ordinary course and the prudent conduct of Lessee's business, provided Lessee obtains the prior written approval of the City and provided that: (i) the storage, handling and use of such permitted hazardous substances must at all times conform to all governmental requirements and to applicable fire, safety and insurance requirements; (ii) the types and quantities of permitted hazardous substances must be reasonable and appropriate to the nature and size of Lessee's operations; (iii) no hazardous substance shall be spilled or disposed of on, in, under or around the Premises or otherwise discharged by Lessee. Provided, however, any such approval by the City will not waive, negate, diminish, or limit the responsibility of the Lessee for any contamination or to indemnify the City.
- B. If **Lessee** breaches the obligations stated in the preceding paragraph, or if the presence of the chemical substance or hazardous material on the **Premises** brought onto such **Premises** by **Lessee** or its contractors, employees or agents results in contamination of the Premise or contamination of the water supply of **City**, or if contamination of the **Premises** or by the chemical substance or hazardous material otherwise occurs for which **Lessee** is legally liable, **Lessee** shall indemnify,

defend and hold the **City** and their officers, trustees, representatives, contractors, agents and employees harmless from any and all injuries, deaths, property damage, claims, judgments, damages, penalties, fines, costs, liabilities, losses, diminution in value, damages for the loss or restriction on use, sums paid in settlement of claims, and attorneys', consultants' and expert fees (collectively, "Environmental Claims") which arise during or after any term of this **Lease** hereof as a result of such contamination.

- C. This indemnification of the **City** by **Lessee** also includes, without limitation, costs and expenses incurred in connection with any investigation of site conditions or any clean-up, remedial, removal or restoration work required by the **City** or any federal, state or local government agency or political subdivision because of any chemical substance or hazardous material present in the soil or ground water on or under the **Premises** caused by **Lessee**.
- D. Without limiting the foregoing, if the presence of any chemical substance or hazardous material brought onto the **Premises** by **Lessee**, its employees, agents or contractors results in any contamination of the **Premises**, or the water supply of the **City**, **Lessee** shall promptly take all actions at its sole expense as are necessary to return the **Premises** and the water supply of the **City** to the condition existing prior to the introduction of any such chemical substance or hazardous material. The foregoing indemnity shall survive the expiration or earlier termination of this **Lease**.
- E. As used herein, the term "chemical substance" shall mean a substance obtained by a chemical process or used for producing a chemical effect, including but not limited to pesticides, herbicides and fertilizers, and the term "hazardous material" means any hazardous or toxic substance, material or waste, including but not limited to those substances, materials and wastes listed by the Environmental Protection Agency as hazardous substances, or such substances, materials and

PROPERTY LEASE AGREEMENT

between

CITY OF SPENCER

And

THE CITY OF MIDWEST CITY

wastes that are or become regulated under any applicable local, state or federal law.

27. INSPECTION

City and its employees and agents shall have the right, but not the duty, to inspect Lessee's Facilities and the Premises to determine whether Lessee is complying with the terms of this Lease.

28. THIRD PARTY BENEFICIARIES

All parties expressly agree that no third-party beneficiaries, expressly or implicitly, are intended to be or shall be created or acknowledged by this **Lease**. This **Lease** is solely for the benefit of the **Lessee** and **City**, and none of the provisions hereof are intended to benefit any third parties.

29. VENUE AND CHOICE OF LAW

All parties hereto expressly agree that the venue of any litigation relating to or involving this **Lease** and/or the rights, obligations, duties and covenants therein shall be in the appropriate court (state or federal) located in Oklahoma County, Oklahoma. All parties agree that this **Lease** shall be interpreted and enforced in accordance with Oklahoma law and all rights of the parties shall be determined in accordance with Oklahoma law.

30. CASUALTY

If any part of the **Premises** is damaged by casualty or Act of God, as to render the **Premises** unsuitable, in **Lessee**'s sole determination, then **Lessee** may terminate this **Lease** by providing written notice to the **City**, as **Lessee's** only recourse as to the **City**, which termination will be effective as of the date of such casualty or other harm.

31. MISCELLANEOUS PROVISIONS

- A. **Lessee** is responsible for obtaining a Certificate of Occupancy from the **City** prior to occupying and operating the **Facilities**.
 - B. **Lessee** is responsible for obtaining the following utilities:
 - Water;
 Property Lease Agreement with the City of Spencer, Oklahoma
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- ii. Trash;
- iii. Electric:
- iv. Gas; and
- v. Alarm Management System.
- C. **Lessee** shall provide to the **City** a damage deposit of two thousand dollars (\$2,000.00) on or before occupying the **Facilities**.
- D. **Lessee** may use the sign at the **Premises.** Any change to the sign must be approved by the **City.**
- E. Lessee shall operate the Facilities in accordance with the standards of the Guidelines for Standards of Care in Animal Shelters, Association of Shelter Veterinarians (2010) where applicable, as well as all local, state and federal laws.
- F. City is allowed to use the crematorium and large pen area (used for larger animals [example: cows, horses, sheep, etc...]) as designated in Attachment "A" on the Premises as needed. City will dispose of Lessee's animals in need of destruction when using the crematorium for no additional charge.
- G. City retains right of ingress and egress across all or parts of the Premises.
- H. **City** shall retain exclusive use of the garage for storage purposes and shall house the adoption trailer under the carport on the **Premises**.

32. EFFECTIVE DATE

The Effective Date of this Lease is the date approved by the City as the last party hereto.

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SIGNED by the Mayor for The City of Spencer this 16 day of Lebruary, 2023.

THE CITY OF SPENCER

Mayor

CITY CLERK

REVIEWED for form and legality.

CITY ATTORNEY

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SIGNED by the City Manager for The City of Midwest City this 8 day of , 2023.

TIM LYON, CITY MANAGER

THE CITY OF MIDWEST CITY

SARA HANCOCK, CITY CLERK

REVIEWED for form and legality.

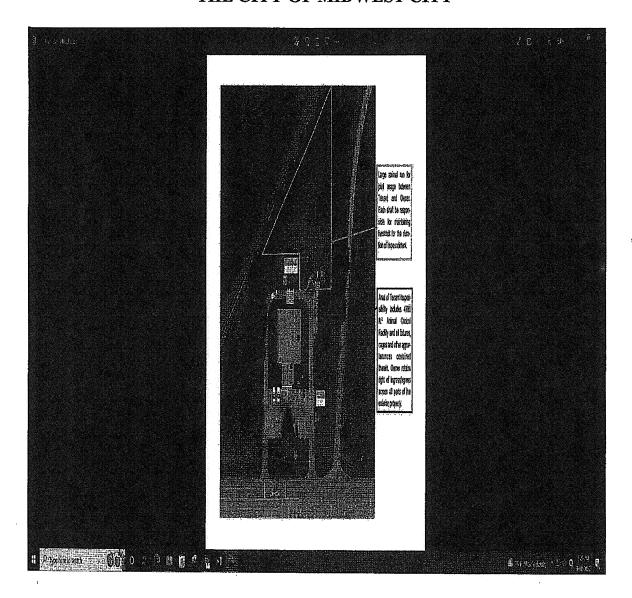
DONALD D. MAISCH, CITY ATTORNEY

Attachment A

7221 NE 36th ST, with the legal description being (approximately):

Beginning at the Southwest Corner of the Southwest Quarter of Section Fifteen (15), Township Twelve (12) North, Range Two (2) West, I.M, Oklahoma County; thence East along the south line of Said Section 15 a distance of 1353 feet; Thence, north parallel to the West Line of said Section 15 a distance of 50 feet to the Point of Beginning. Thence, east and parallel to the South Line of said Section 15 a distance of 220 feet; Thence, north and parallel to the West Line of said Section 15 a distance of 425 feet to the east right-of-way line of the Stillwater Central Railroad Thence, southwesterly along the east right-of-way of the Stillwater Central Railroad a distance of 320 feet;

Thence south and parallel to the West Line of said Section 15 a distance of 191 feet to the P.O.B.



Attachment B Facility Specifications

- 4780 square foot former Animal Shelter;
- Large animal pen
- Crematorium
- Cages
- Fixtures

• (2) Dog Runs