

## **COMMERCIAL LEASE**

1. **PARTIES:** **City of Clinton, Oklahoma**, an Oklahoma Municipality, the **Lessor** agrees lease **Danny Watkins, d/b/a Clinton Towing & Repair, LLC**, **Lessee**, the following described property, to wit: **Lots 1 – 6, Block 30, Original Townsite of Clinton, Oklahoma, commonly known as 110 Orient, Clinton, OK.**
  
2. **TERM:** For the term of one (1) year beginning on September 1, 2018, to be continuously occupied and used during the term of the lease by Lessee for no other purpose than operation of Tow Service and Yard. Either party may terminate this lease at anytime upon three months notice. Further, Lessee shall have the option to annually renew this lease unless terminated by the City Manager 30 days prior to the end of the term.
  
3. **RENTAL:** In consideration of the following obligations contained in this agreement and the monthly payment of \$500.00, to be paid on or before the 5<sup>th</sup> day of each month, Lessor shall lease the subject premises to Lessee.
  
4. **REPAIRS:** Lessee accepts the premises in their present condition and agrees it is suitable for which leased. Lessee agrees to repair at its expense, up to \$5,000.00 annually, any major repair including but not limited to: the roof, foundation, heat and air conditioning units, water heater, major plumbing, and exterior walls, all windows and doors; upon the receipt of written notice from Lessor requesting repairs. It is the intent of the parties that Lessee has an annual repair limit and shall be responsible up to \$5,000.00 for repairs to the leased premises. Lessee shall take good care and maintain the property, and upon the termination of this lease deliver the property in good repair and condition, reasonable wear and tear excepted. Lessee shall not make any structural alterations to the property without written permission of Lessor. All such additions and fixtures (except trade fixtures) shall remain and become the property of Lessor, unless Lessor requests their removal; in which event Lessee shall remove same and restore the premises to their original condition at Lessee's expense.
  
5. **CASUALTY:** In the event the property, or a portion thereof, shall be damaged by fire, or other casualty insurable under standard fire and extended coverage insurance, and Lessor does not elect to terminate this lease, Lessor shall proceed to rebuild and repair at his expense. If the building shall (a) be substantially damaged by a casualty not covered by Lessor's insurance or (b) be rendered

untenantable in excess of fifty percent of the floor area by casualty covered by Lessor's insurance or (c) suffer damage to the extent that the remaining term of the lease is not sufficient to amortize the cost of the reconstruction, then Lessor may elect to terminate the lease by giving written notice to Lessee within sixty (60) days of the date of such casualty. The premises shall be deemed totally destroyed if the cost of restoration exceeds fifty percent of the fair market value of the improvements thereon prior to such casualty. Lessee shall receive pro rata refund of any sum paid in advance for the period during which the premises are unfit for use. Lessee shall not permit the property to be occupied for any purpose deemed illegal, disreputable, or extra hazardous on account of fire, not permit any actions that will increase the fire insurance rate on the building or the property. If Lessor agrees to such hazardous use, Lessee agrees to pay the increase of insurance premiums caused thereby. Lessee agrees to insure at their expense all improvements they make to the property trade fixtures and personal property owned by Lessee against any loss.

6. ASSIGNMENT: Lessee shall not assign, sublet, mortgage or pledge this lease nor permit the whole or any part of the premises to be occupied by others without written consent of Lessor.
7. LAWS: Lessee agrees to comply with all laws, rules and orders of Federal, State and Municipal governments and all of their departments, and the Board of Fire Underwriters, at Lessee's expense.
8. INDEMNITY: Lessee agrees to keep the property covered with liability insurance, with coverage in the amount of at least 1,000,000/2,000,000, at the cost of the Lessee and to indemnify Lessor and hold him harmless of any loss, expenses or claim arising out of the use of the property by Lessee, his employees, invitees, agents or visitors or any other person whatsoever. Lessee shall name lessor as an additional insured on any such liability policy. Lessor shall not be liable for any injury or loss on or about the Property to Lessee, his agents, invitees, subtenants, or licensees. Lessor shall not be liable to Lessee for injury to person or damage to property caused by defect or failure to electricity or oil leaking or by any portion of the property becoming out of repair. In any suit or action for damages arising from alleged negligence of Lessee in which Lessor is included as a defendant, Lessee will assume all the burdens, costs and expenses of the defense thereof, including attorney's fees, and the cost of settlement or judgement obtained against Lessor by reason thereof. Upon request, Lessee shall provide Lessor a copy of the certificate of insurance, identifying Lessor as an additional insured.

9. ENTRY: Lessor or his representatives shall have the right to enter the property at reasonable times, upon 24 hours notice, to inspect, make repairs, or alterations, or show the property to prospective purchasers, lessee or lenders. Lessee shall not be entitled to abatement of the rent by reason thereof.
10. SIGNS: Except with the Lessor's prior written permission, Lessee shall not place any signs or objects on the roof or any portion of the exterior of the property; make any changes to or paint the exterior; install any exterior lighting, paintings, signs or displays; place any sign or display on fences, sidewalks, parking lots or driveways of any type that may be viewed from the exterior of the property. All agreed signs must be removed by Lessee at their expense at the termination of this lease. Use of the roof above the property is reserved to Lessor.
11. DEFAULT: The following events shall be deemed to be a default by Lessee: (1) failure to pay any installment of rent, if such failure shall continue for ten days, (2) failure to comply with any provision of this lease, other than the payment of rent, and shall not cure such failure within thirty (30) days after written notice is sent to Lessee, (3) Lessee becomes insolvent; makes a transfer in fraud to creditors; makes an assignment for the benefit of creditors; files a petition under any section of the National Bankruptcy Act; is adjudged bankrupt; has a receiver appointed; deserts or vacates any substantial portion of the property; does or permits any act which creates lien on the property. Upon the occurrence of any of the above, Lessor may, without demand or not, enter and take possession of the property; expel or remove all occupants property found thereon without being liable for damages; may elect to cancel this lease or relet the premises on such terms as Lessor deems advisable and receive the rent thereof; and Lessee agrees to pay on demand any deficiency and cost incurred. Lessor shall have the option to file a Forcible Entry and Detainer action without prior notice, in the proper court, and obtain a writ of possession thereby. Lessor shall be entitled to all expenses, court cost and reasonable attorney's fees for the collection of any sum due under this lease and the enforcement of this agreement. All past due rentals shall bear interest at five percent (5%). Lessor is specifically given the right to seek injunctive relief against Lessee in the event of default.
12. CONDEMNATION. If during the term of this Lease more than forty percent (40%) of the parking lot and/or building should the taken by eminent domain or condemnation for public or quasi-public use, or by private purchase in lieu thereof this Lease shall terminate upon the election of either party by giving written notice

to the other party within sixty (60) days after the taking of possession by the condemning authority. All funds derived from condemnation proceeding shall be paid direct to Lessor, and Lessee hereby assigns its interest in any such award to Lessor; provided, however, Lessor shall have no interest in any award made to Lessee for loss of business, fixtures or moving if such a separate award is made to Lessee.

13. POSSESSION: Unless otherwise noted herein, possession will be given on the beginning date of the lease. If the premises are not ready for occupancy at the date of beginning of this lease, no rental shall be payable until Lessor notifies Lessee the property is ready for occupancy. Lessee waives any claims for damages because of such delay. Rental for any fraction of month at the beginning or end of this lease may be prorated at the option of Lessor.
14. WAIVER: Acceptance of delinquent rent, or prior waiver of any of Lessor's rights hereunder shall not constitute a waiver of Lessor's rights to prompt payment or damages in event of subsequent or breach of Lessee.
15. TAXES: Lessor is responsible for rendering the paying of real estate taxes, if any, on the property. Lessee is responsible for rendering and paying all personal property taxes on their personal property, trade fixtures and inventory placed on property.
16. UTILITIES: Lessee agrees to pay for all utilities used on the property, including electric, gas, water, waste removal, burglar alarms, cleaning services, electric light globes, lawn care, and all other services and supplies required by Lessee. Any lawn shall be maintained to the satisfaction of Lessor.
17. SERVERABILITY: In the event any part of this lease is declared invalid by court, the remaining portion shall remain in full force and effect.
18. NOTICES: All notices required or permitted herein, must be in writing and may be delivered in person, or by mailing to the address shown herein, or the address of the property for Lessee, by certified mail, return receipt requested. Such notices shall be deemed to be delivered as of the date of posting, weather actually received or not.

This LEASE contains the entire agreement between the parties hereby, and no agreements, inducements or promises, oral or otherwise, not a part of this agreement, shall be binding

on the parties hereto.

THE TERMS hereof shall be binding upon the parties hereto, their heirs, successors in interest and legal representatives. THIS IS INTENDED TO BE A LEGALLY BINDING CONTRACT. IF NOT UNDERSTOOD, SEEK COMPETENT ADVICE.

Executed in multiple this the \_\_\_\_\_ day of \_\_\_\_\_, 2018.

Lessor

Lessee

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City of Clinton

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Danny Watkins, d/b/a Clinton Towing  
& Repair, LLC

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Address:  
  
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