

File Attachments for Item:

19. CONSIDERATION OF APPROVAL, ACCEPTANCE, REJECTION, AMENDMENT, AND/OR POSTPONEMENT OF CONTRACT K-2425-38: A LEASE AGREEMENT BY AND BETWEEN THE CITY OF NORMAN AND YFAC, LLC FOR THE TRAE YOUNG FAMILY FOUNDATION TO BE THE RETAIL PARTNER AND OPERATOR; AND ACCEPT THE IMPROVEMENTS, IN THE AMOUNT OF \$288,368.00, TO THE RETAIL SPACE INSIDE THE YOUNG FAMILY ATHLETIC CENTER, 2201 TRAE YOUNG DRIVE, NORMAN, OKLAHOMA.



CITY OF NORMAN, OK STAFF REPORT

MEETING DATE: 2/11/2025

REQUESTER: Jason Olsen, Director of Parks and Recreation

PRESENTER: AshLynn Wilkerson, Assistant City Attorney

ITEM TITLE: CONSIDERATION OF APPROVAL, ACCEPTANCE, REJECTION, AMENDMENT, AND/OR POSTPONEMENT OF CONTRACT K-2425-38: A LEASE AGREEMENT BY AND BETWEEN THE CITY OF NORMAN AND YFAC, LLC FOR THE TRAE YOUNG FAMILY FOUNDATION TO BE THE RETAIL PARTNER AND OPERATOR; AND ACCEPT THE IMPROVEMENTS, IN THE AMOUNT OF \$288,368.00, TO THE RETAIL SPACE INSIDE THE YOUNG FAMILY ATHLETIC CENTER, 2201 TRAE YOUNG DRIVE, NORMAN, OKLAHOMA.

BACKGROUND:

In October 2015, Norman voters approved the \$150 million, fifteen-year Norman Forward Sales Tax initiative. The Norman Forward Initiative outlined various citywide projects to improve the quality of life for the citizens of Norman. This initiative included projects to construct a new Multi-Sport Complex and Indoor Aquatic Facility.

The Multi-Sport Complex and Indoor Aquatic Facility were initially proposed as separate projects. After extensive public input and consideration by the City Council, acting as Trustees of the Norman Municipal Authority (NMA), these projects were combined in 2018 into one more extensive project, to be located at the southeast corner of 24th Avenue NW and Rock Creek Road in the University North Park development. This new sports and aquatic complex will include eight full-sized basketball or twelve volleyball courts; a 25-meter, eight-lane lap pool; a 25-yard, four-lane warm-up pool; concession stands; retail space; administration offices; and, through a partnership with Norman Regional Health System (NRHS), a health and wellness clinic to be placed between the multi-sports and aquatic complexes.

The building and the project were named the Young Family Athletic Center ("YFAC") in July of 2021 (K-2122-27) after the Trae Young Family Foundation (TYFF) agreed to donate \$4,000,000 to the construction of the building. NRHS has committed a minimum of \$6.7 million, through a contract approved by the City Council in June of 2023 (K-2122-99), towards constructing a human sports and performance clinic inside the YFAC called "N-Motion."

DISCUSSION:

During the design and construction of the YFAC, a retail space was initially planned, and a shell space was built. The full intention of the space was to work with local NBA superstar Trae Young and his family to have a retail space inside the YFAC that would open and operate during events. The retail space will include NIKE, Trae Young, and YFAC apparel and sporting goods. It will become a NIKE Team Store with the possibility of providing uniforms and apparel to groups like the Trae Young Academy, YFAC basketball and volleyball leagues, Norman Youth Soccer Association, Norman Public Schools, LYGENDS Nike EYBL teams, Sooner Swim Club, and so forth. This will be the only NIKE Team Store in Norman, and the Trae Young Family Foundation will operate it.

As stated above, the retail space was initially built as an empty shell and the Trae Young Family Foundation paid for design and construction to build out the empty shell retail space. The total cost of construction of the retail space was \$288,368.00. According to K-2425-38, all improvements made by the Lessee become the property of the City of Norman and any future enhancements.

The agenda item is the recommended approval of a lease agreement with YFAC, LLC, to operate and manage the retail space inside the YFAC. The contract is to begin on the Commencement Date (the date of execution) and will terminate upon the 20th anniversary of the Commencement Date (unless earlier terminated pursuant to contract provisions). Extension terms for successive five-year periods are also an option following the termination of the initial term. The Trae Young Family Foundation will operate the retail space and be the sole provider of the retail space inside the YFAC. The City is to receive \$38.88 per square foot as a lease payment, with the annual lease total to be \$25,000.00, and payments are to be remitted to the City on a monthly basis.

RECOMMENDATION 1:

Staff recommends the acceptance of the \$238,386.00 of improvements to the shell space of the retail store area inside the YFAC.

RECOMMENDATION 2:

Staff recommends the approval of Contract K-2425-38 between the City of Norman and YFAC, LLC, for the Trae Young Family Foundation to be the retail partner and operator of the retail space inside the YFAC.

delayed by any Force Majeure. The provisions of this Section 11.10 shall not operate to excuse either Party from prompt payment of any amounts required by the terms of this Lease.

11.11 Severability. In the event one or more of the terms or provisions of this Lease or the application thereof to any Party or circumstances shall, to any extent, be held invalid, illegal or unenforceable, the remainder of this Lease, or the application of such term or provision to persons or circumstances other than those as to whom or which it is held invalid or unenforceable, shall not be affected thereby, and each term and provision of this Lease shall be valid and enforceable to the fullest extent permitted by law.

11.12 Governing Law. THIS LEASE SHALL BE GOVERNED BY, AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH THE LAWS OF THE UNITED STATES APPLICABLE THERETO AND THE LAWS OF THE STATE OF OKLAHOMA APPLICABLE TO AN AGREEMENT EXECUTED, DELIVERED AND PERFORMED IN SUCH STATE, WITHOUT REGARD TO ANY OTHERWISE APPLICABLE PRINCIPLES OF CONFLICTS OF LAW.

11.13 Venue for Actions. The venue for any legal action arising out of this Lease shall lie exclusively in Cleveland County.

11.14 Attorneys' Fees. Should either Party to this Lease engage the services of attorneys or institute legal proceedings to enforce its rights or remedies under this Lease, the prevailing Party to such dispute or proceedings shall be entitled to recover its reasonable attorneys' fees, court costs and similar costs incurred in connection with the resolution of such dispute or the institution, prosecution or defense in such proceedings from the other Party.

11.15 Relationship of Parties. Nothing contained herein shall be deemed or construed by the Parties hereto or by any third party as creating the relationship of principal and agent, partnership, joint venture or any association between the Parties hereto, it being understood and agreed that none of the provisions contained herein or any acts of the Parties in the performance of their respective obligations hereunder shall be deemed to create any relationship between the Parties hereto other than the relationship of Lessor and Lessee. It is understood and agreed that this Lease does not create a joint enterprise, nor does it appoint any Party as an agent of the other for any purpose whatsoever. No Party shall in any way assume any of the liability of the other for acts of the other or obligations of any other. Each Party shall be responsible for any and all suits, demands, costs or actions proximately resulting from its own individual acts or omissions.

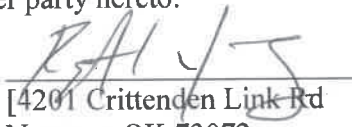
11.16 Lessor's Lien Waiver. Lessor hereby waives all landlord's liens that Lessor might hold, statutory or otherwise, to any of Lessee's (or any Sublessee's) inventory, trade fixtures, equipment or other personal property now or hereafter placed on the Retail Space.

11.17 Non-Waiver. No Party shall have or be deemed to have waived any default under this Lease by the other Party unless such waiver is embodied in a document signed by the waiving Party that describes the default that is being waived. Further, no Party shall be deemed to have waived its rights to pursue any remedies under this Lease, unless such waiver is embodied in a document signed by such Party that describes any such remedy that is being waived.

then allowed by law, shall be payable by Lessee to Lessor on demand, or, if not so paid, shall be treated at Lessor's option as a monetary default hereunder.

11.6 Notices. All notices, demands, payments and other communications required to be given or made hereunder shall be in writing and shall be duly given if delivered by hand, messenger, telecopy or reputable overnight courier or if mailed by certified or registered mail, first class postage prepaid, and shall be effectively received upon the date of such delivery or two (2) days after such mailing, to the respective parties hereto at the addresses set forth below, or to such other address furnished in writing to the other party hereto.

If to Lessee:


[4201 Crittenden Link Rd
Norman, OK 73072
Attn: Rayford Young]

With a copy to:

McAfee & Taft, A Professional Corporation
8th Floor, Two Leadership Square
211 N. Robinson
Oklahoma City, Oklahoma 73102
Attn: Martin Stringer

If to Lessor:

City of Norman
Attn: City Manager
201 West Gray
Norman, OK 73069

With a copy to:

City of Norman
Attn: City Attorney
201 West Gray
Norman, OK 73069

11.7 Successors and Assigns. Except as expressly provided in Article 8, this Lease may not be assigned without the prior written consent of the other party hereto. Subject to the foregoing, this Lease shall be binding upon and shall inure to the benefit of the parties and their permitted successors and assigns.

11.8 Amendment. Except as expressly provided herein, neither this Lease nor any term hereof may be amended, waived, discharged or terminated, except by a written instrument signed by the parties hereto.

11.9 Headings and Subheadings. The headings of the articles, sections, paragraphs and subparagraphs of this Lease are for convenience or reference only and in no way define, limit, extend or describe the scope of this Lease or the intent of any provisions hereof.

11.10 Unavoidable Default and Delays. After the date of execution of this Lease, the time within which any party to this Lease shall be required to perform any act under this Lease shall be extended by a period of time equal to the number of days during which performance of such act is

(c) Binding Obligation. This Lease is a valid and binding obligation of Lessee and is enforceable against Lessee in accordance with its terms, subject to (a) applicable bankruptcy, insolvency, fraudulent conveyance, reorganization, rearrangement, moratorium, receivership, liquidation and similar laws affecting creditors' rights or (b) general principles of equity.

(d) No Default. The execution by Lessee of this Lease and the consummation by Lessee of the transactions contemplated hereby do not, as of the Commencement Date, result in a breach of any of the terms or provisions of, or constitute a default or condition which upon notice or the lapse of time or both would ripen into default under, the organizational documents of Lessee or under any indenture, agreement, instrument or obligation to which Lessee is a party or is bound.

(e) Consents. No permission, approval or consent by third parties or any other governmental authorities is required in order for Lessee to enter into this Lease, make the agreements herein contained or perform the obligations of Lessee hereunder other than those which have been obtained.

Miscellaneous

11.3 Estoppel Certificates. Lessee and Lessor shall, at any time and from time to time upon not less than 20 days' prior written request by the other Party, execute, acknowledge and deliver to Lessor or Lessee, as the case may be, a statement in writing certifying (a) its ownership of the interest of Lessor or Lessee hereunder, as the case may be, (b) that this Lease is unmodified and in full force and effect (or if there have been any modifications, that the same is in full force and effect as modified and stating the modifications), (c) the dates to which any amounts due from Lessee have been paid, and (d) that, to the best knowledge of Lessor or Lessee, as the case may be, no default hereunder on the part of the other Party exists (except that if any such default does exist, the certifying Party shall specify such default.)

11.4 Release. If requested by Lessor, Lessee shall, upon termination of this Lease, execute and deliver to Lessor an appropriate release, in form proper for recording, of all Lessee's interest in the Retail Space, and upon request of Lessee, Lessor will execute and deliver a written cancellation and termination of this Lease and release of all claims (if none are then outstanding and known) in proper form for recording to the extent such release is appropriate under the provisions hereof.

11.5 Lessor's Right to Perform Lessee's Covenants. If Lessee shall fail in the performance of any of its covenants, obligations or agreements contained in this Lease, other than the obligation to pay any amounts due hereunder, and such failure shall continue without Lessee curing or commencing to cure such failure within all applicable grace and/or notice and cure periods, Lessor after ten (10) days additional written notice to Lessee specifying such failure (or shorter notice if any emergency, meaning that there is imminent danger to the safety of persons or of substantial damage to property exists) may (but without any obligation to do so) perform the same for the account and at the expense of Lessee, and the amount of any payment made or other reasonable expenses (including reasonable attorneys' fees incurred by Lessor for curing such default), with interest thereon at the rate of twelve percent (12%) per annum or the highest rate

in a breach of any of the terms or provisions of, or constitute a default, or a condition which upon notice or lapse of time or both would ripen into a default, under Lessor's charter or any resolution, indenture, agreement, instrument or obligation to which Lessor is a party or by which the Retail Space or any portion thereof is bound; and (ii) do not, to the knowledge of Lessor, constitute, a violation of any law, order, rule or regulation applicable to Lessor or any portion of the Retail Space of any court or of any federal, state or municipal regulatory body or administrative agency or other governmental body having jurisdiction over Lessor or any portion of the Retail Space.

(e) Consents. No permission, approval or consent by third parties or any other governmental authorities is required in order for Lessor to enter into this Lease, make the agreements herein contained or perform the obligations of Lessor hereunder other than those which have been obtained.

(f) Quiet Enjoyment. During the Term of this Lease and subject to the terms of this Lease, Lessee shall have the quiet enjoyment and peaceable possession of the Retail Space against hindrance or disturbance by Lessor or any person or entity acting by, through or under Lessor.

(g) Proceedings. There are no actions, suits or proceedings pending or, to the reasonable best knowledge of Lessor, threatened or asserted against Lessor affecting Lessor's ability to enter into this Lease or any portion of the Retail Space, at law or at equity or before or by any federal, state, municipal or other governmental department, commission, board, bureau, agency or instrumentality, domestic or foreign.

(h) Compliance with Laws. Lessor has not received any notice of any violation of any ordinance, regulation, law or statute of any governmental agency pertaining to the Land or any portion thereof.

(i) Encumbrances. Lessor has good and marketable fee simple title to the Land, subject to no liens or security interests, and Lessor has not placed or granted any liens or security interests against the Land.

(j) Limitations. Except as otherwise expressly provided herein, this Lease is made by Lessor without representation or warranty of any kind, either express or implied, as to the condition of the Land or the Retail Space, its merchantability, its condition or its fitness for Lessee's intended use or for any particular purpose.

11.2 Lessee's Representations, Warranties and Special Covenants.

(a) Existence. Lessee is an Oklahoma limited liability company duly organized and existing pursuant to the laws of the State of Oklahoma.

(b) Authority. Lessee has all requisite power and authority to own its property, operate its business, enter into this Lease and consummate the transactions herein contemplated, and by proper action has duly authorized the execution and delivery of this Lease and the consummation of the transactions herein contemplated.

in the Retail Space or its leasehold estate hereunder if not removed within 120 days; or (f) the entry of a final judgment, order or decree of a court of competent jurisdiction adjudicating Lessee to be bankrupt, and the expiration without appeal of the period, if any, allowed by applicable law in which to appeal therefrom.

9.2 Upon the occurrence and during the continuance of an Event of Default, Lessor shall have all remedies available at law or in equity, including, without limitation, termination, injunction and specific performance. All remedies of Lessor under this Lease shall be cumulative, and the failure to assert any remedy or the granting of any waiver of any event of default shall not be deemed to be a waiver of such remedy or any subsequent event of default.

ARTICLE 10

Default of Lessor

10.1 Defaults and Remedies. In the event of any breach by Lessor of any covenant of Lessor under this Lease, Lessee shall have the right to deliver to Lessor a written notice specifying such breach or non-payment, and unless within thirty (30) days from and after the date of delivery of such notice Lessor shall have commenced to remove or to cure such breach or occurrence and shall be proceeding with reasonable diligence to completely remove or cure such breach or occurrence (provided such breach or occurrence must be cured within 120 days after such notice), then Lessee shall have all remedies available at law or in equity, including, without limitation, termination, injunction and specific performance. All remedies of Lessee under this Lease shall be cumulative, and the failure to assert any remedy or the granting of any waiver of any event of default shall not be deemed to be a waiver of such remedy or any subsequent event of default.

ARTICLE 11

Representations, Warranties and Special Covenants

11.1 Lessor's Representations, Warranties and Special Covenants. Lessor hereby represents, warrants and covenants as follows:

(a) Existence. Lessor is a home rule municipal corporation of the State of Oklahoma duly incorporated and currently existing pursuant to the constitution and laws of the State of Oklahoma.

(b) Authority. Lessor has all requisite power and authority to own the Retail Space, to execute, deliver and perform its obligations under this Lease and to consummate the transactions herein contemplated and, by proper action in accordance with all applicable law, has duly authorized the execution and delivery of this Lease, the performance of its obligations under this Lease and the consummation of the transactions herein contemplated.

(c) Binding, Obligation. This Lease is a valid and binding obligation of Lessor and is enforceable against Lessor in accordance with its terms.

(d) No Defaults. The execution by Lessor of this Lease and the consummation by Lessor of the transactions contemplated hereby (i) do not, as of the Commencement Date, result

ARTICLE 8

Assignment and Subletting

8.1 Assignment. During the Term, Lessee shall continuously own and operate the Retail Space and shall not sell, convey or assign any of the leasehold estate created hereby without the express written consent of Lessor, except Lessee may assign or transfer this Lease, or any interest herein to (a) any entity owned or controlled by Lessee or its successors or assigns without the consent of the Lessor, or (b) a financially qualified third party subject to the reasonable approval of Lessor, provided such entity expressly assumes all the covenants and obligations of Lessee herein, subject to the reasonable satisfaction of the Lessor. Upon any such assignment, the assignee shall execute and deliver to Lessor a written assumption, in form and substance reasonably satisfactory to Lessor, of all of the obligations of Lessee pertaining to the Leased Premises and accruing under this Lease after such assignment.

8.2 Subletting.

(a) Lessee shall have the right at any time, without the consent of Lessor, to sublease all or any portion of the Retail Space to any third party; provided, however, that no such subletting or assignment shall relieve Lessee of any of its obligations hereunder unless otherwise agreed in writing by Lessor, and all subleases shall be subject to the terms and provisions of this Lease.

(b) No Sublessee shall have any right to sublease or otherwise assign or encumber its interest in the Retail Space.

8.3 General Provisions. Lessee shall, in connection with any assignment or sublease, provide notice to Lessor of the name and address of any assignee or Sublessee, together with a complete copy of the assignment agreement or sublease.

ARTICLE 9

Default of Lessee

9.1 Lessee shall be in default if any of the following events ("*Events of Default*") shall occur: (a) the failure on the part of Lessee to pay 100% of the Construction Funding when due and the continuation of such failure for ten (10) days after Lessor has provided to Lessee a written notice of such failure; (b) any breach by Lessee of any covenant of Lessee under this Lease (other than the failure to pay Construction Funding when due) and such breach has not been cured within thirty (30) days from and after the date notice of such breach is given by Lessor to Lessee; provided, however, no Event of Default shall exist if Lessee shall have commenced to remove or to cure such breach and shall be proceeding with reasonable diligence to completely remove or cure such breach (provided such breach must be cured within 120 days after such notice); (c) the making of any general assignment for the benefit of creditors by Lessee; (d) the filing of a voluntary petition in bankruptcy or a voluntary petition for an arrangement or reorganization under the United States Federal Bankruptcy Act (or similar statute or law of any foreign jurisdiction) by Lessee; (e) the appointment of a receiver or trustee for all or substantially all of Lessee's interest

direct or indirect stockholders, agents, other representatives, successors and assigns for bodily injury (including death) to persons, or loss or damage to property of Lessor and Lessee whether caused by the negligence or fault of Lessor and Lessee or their partners, directors, officers, employees, agents or representatives or otherwise, to the extent that the injuries, losses or damages are covered by the proceeds of insurance policies maintained by either party.

6.5 Adjustment of Losses. Except for the proceeds relating to the contents policy required to be maintained by Lessee (which proceeds shall be paid solely to Lessee), any loss under any insurance policy required under Section 6.3 hereof shall be made payable to Lessor for the benefit of Lessee and Lessor, to the end that Lessor shall be entitled to collect all money due under such insurance policies payable in the event of and by reason of the loss of or damage to the Facility, to be applied pursuant to Article 7, below. The adjustment of losses with the insurer shall be made by Lessor.

6.6 Operational Liability. Lessor shall be responsible for all liability related to the operation of the Facility and shall indemnify, defend, and hold harmless Lessee for any losses or damages incurred by Lessee in connection with Lessor's operation of the Facility to the extent provide by law; provided, however, Lessor shall not have any liability related to Lessee's operation of the Retail Space, which shall be Lessee's sole responsibility.

ARTICLE 7

Casualty

7.1 Repair in the Event of Casualty. In the event the Facility shall be damaged during the Term, Lessor, to the extent covered by the insurance obtained by Lessor in accordance with Section 6.3, above, shall promptly proceed to repair, restore, replace, or rebuild the Facility to substantially the same condition in which the same were immediately prior to such damage or destruction. If this Lease is not terminated pursuant to Section 7.2 below following a casualty event impacting the Leased Premises, then Lessor shall restore (or cause to be restored) the Leased Premises with reasonable promptness to the condition in which it was in immediately prior to such casualty.

7.2 Lessee Termination Right. Notwithstanding the foregoing, in the event Lessee determines in good faith that repairs and restoration of the Facility cannot be substantially completed within 180 days of such damage, Lessee shall have the option to terminate this Lease by written notice to Lessor. Provided that if the casualty event renders all or a substantial part of the Leased Premises untenantable, then Lessee may terminate this Lease within 45 days after such casualty event.

7.3 Right to Insurance Proceeds. In the event Lessee terminates this Lease pursuant to Section 7.2, and Lessor elects not to restore the Facility pursuant to Section 7.1, Lessee shall be entitled to its pro rata share of any insurance proceeds received by Lessor based on the value of the tenant improvements to the Retail Space within the Facility at the time of the loss.

(c) Lessee shall keep the Retail Space in a state of good repair on a regular and ongoing basis. Upon termination of this Lease, Lessee shall deliver the Leased Premises in good condition, reasonable wear and tear, obsolescence, acts of God and loss by casualty excepted. Lessee shall arrange for its own cleaning services for the Retail Space (which may include using Lessor's contracted cleaning service) at Lessee's sole cost and expense.

5.4 Operational Rights: Revenue. Lessee shall receive all revenues generated from and associated with the Retail Space for the duration of the Term. Subject to the terms and provisions of this Lease, Lessee shall have full and exclusive control of the management and operation of the Retail Space. Without limiting the generality of the foregoing during the term of this Lease, (i) Lessee shall have the sole right to grant and enter into licenses, rights, subleases, and any and all other agreements of any nature relating to the Retail Space or the name thereof on such terms as Lessee deems appropriate, and (ii) Lessee shall own all revenues of any source generated by or from the Retail Space or the operation or management or the name thereof.

ARTICLE 6

Insurance and Indemnity

6.1 Liability Insurance. Lessee agrees, at its sole expense, to obtain and maintain public liability insurance at all times during the Term hereof with reputable insurance companies authorized to transact business in the State of Oklahoma for bodily injury (including death) and property damage with minimum limits of \$1,000,000 combined single limit protecting Lessee against any liability, damage, claim or demand arising out of or connected with the condition or use of the Retail Space. Such insurance shall include contractual liability, personal injury and advertising liability, and independent contractor liability. Such insurance coverage must be written on an "occurrence" basis. It may be maintained by any combination of single policies and/or umbrella or blanket policies.

6.2 Workers' Compensation Insurance. Lessee agrees, at its sole expense, to obtain and maintain workers' compensation insurance, as required by applicable law, during the Term.

6.3 Property Insurance. At all times during the Term, Lessor and Lessee shall maintain property insurance as set forth herein. Lessor shall maintain building and contents insurance on the Facility, including the Retail Space. Lessee shall, at its sole expense, keep all equipment and other personal property included in the Retail Space insured against "all risk" of loss for full replacement cost coverage, to include direct loss by fire, windstorm, hail, explosion, riot, civil commotion, aircraft, vehicles, smoke, boiler and machinery and flood. Coverage must be written by reputable insurance companies authorized to transact business in the State of Oklahoma.

6.4 Policies. All insurance policies Lessee is required to maintain pursuant to this Article 6 shall provide for at least thirty (30) days written notice to Lessor before cancellation and certificates or copies of policies of insurance shall be delivered to Lessor and Lessor shall be named as an additional insured under such policy. Lessor and Lessee hereby waive all claims, rights of recovery and causes of action that either party or any party claiming by, through or under such party by subrogation or otherwise may now or hereafter have against the other party or any of the other party's present and future subsidiaries, affiliates, partners, officers, directors, employees,

ARTICLE 5

Use of Premises

5.1 Use of Retail Space. Lessee shall use the Retail Space to sell athletic goods for the benefit of the general public. Only Lessee, in its sole discretion, will determine the inventory and retail costs for the goods sold in the Retail Space.

5.2 Compliance with Laws. Lessee agrees not to use the Retail Space for any use or purpose in violation of any valid and applicable law, regulation or ordinance of the United States, the State of Oklahoma, the City of Norman or other lawful governmental authority having jurisdiction over the Retail Space, including, without limitation, the Americans with Disabilities Act of 1990, as amended.

(a) Lessee's employment policies must include non-discriminatory provisions in compliance with federal and state laws, rules and regulations, including Title VII of the Civil Rights Act of 1964, and the Lessor's Civil Rights Ordinance.

(b) Lessee agrees that it will not discriminate on the basis of race, color, religion, ancestry, national origin, age, place of birth, disability, sex, sexual orientation, gender identity or expression, familial status, or marital status, including marriage to a person of the same sex in furnishing or refusing to furnish, to such person or persons the use of the Retail Space, including any and all services, privileges, accommodations, and activities thereby. Lessee agrees that this non-discrimination requirement will be included in all subcontracts related to the operation of the Center and to the services provided by the Lessee, its employees, agents and tenants.

5.3 Maintenance.

(a) Lessor shall keep the Facility with the exception of the interior of the Retail Space and any Improvements that only benefit Lessee, in a state of good repair on a regular and ongoing basis. Lessor shall keep the Facility in a clean, neat and orderly manner at all times and shall, without limitation, (i) keep the inside and outside of all glass in the doors and windows of the Facility clean, (ii) maintain the Facility free of insects, rodents, vermin and other pests, (iii) keep the Facility free of dirt, rubbish and other debris, (iv) keep the Facility free of objectionable or offensive odors, and (v) maintain lighting, heating and plumbing fixtures and heating, ventilating and air conditioning equipment and systems, and the fire protection sprinkler system in good order, condition and repair making all needed maintenance, repairs and replacements. Lessor shall arrange for the regular pickup of all trash and garbage at the Facility, including the Retail Space.

(b) Lessor shall maintain the foundation of the Leased Premises, the roof of the Facility in which the Leased Premises is located and the structural soundness of concrete floors, walls and windows of the Leased Premises in good order, repair and condition; provided, however, that Lessee shall give Lessor notice of the need for such maintenance and Lessor shall have a reasonable time to respond.

ARTICLE 2

Rent for Retail Space

2.1 Gross Rent. Lessee shall make an annual rental payment of \$25,000 (\$38.88/square foot) within 30 days of the date on which the retail space commences operations and every 12 months thereafter during the Term. If the term of this Lease is terminated prior to expiration pursuant to Section 1.2 or Section 7.2, then any amounts paid for such Lease Year shall be prorated as of the effective date of the termination and any amounts paid by Lessee attributable to dates after the effective date of the termination shall be returned to Lessee.

ARTICLE 3

Taxes and Utilities

3.1 Taxes. Lessor and Lessee acknowledge that this is a "gross lease" and Lessor shall be responsible for the cost of all real estate and ad valorem taxes levied against the Facility.

3.2 Utilities. Lessor shall obtain and maintain at its sole cost and expense all water, gas, electricity, telephone, internet and similar utilities and services provided to the Leased Premises during the Term; provided, however, Lessee shall have the option to obtain its own telephone and internet service for the Leased Premises.

ARTICLE 4

Improvements

4.1 Improvements, Removals and Replacements. Lessee shall have the right, at its option and expense (subject only to the express restrictions set forth in this Lease) to further enhance the tenant improvements within the Retail Space, as long as such improvements do not materially interfere with the development or use of the YFAC. Any fixtures, materials or equipment that are permanent in nature and installed in the Retail Space automatically shall become the property of Lessor, unless prior to the installation thereof, Lessee shall have obtained from Lessor written acknowledgment that the same shall remain the property of Lessee, in which event Lessee may remove such fixtures, materials or equipment at any time (including, without limitation, upon the termination of this Lease), if such can be done without material damage to the remainder of the Improvements and Lessee agrees to repair any damage caused by such removal including the patching of holes and the painting thereof. Any furniture, fixtures, or equipment purchased by Lessee for the Retail Space that is not of a permanent nature will remain the property of Lessee unless Lessor and Lessee agree otherwise in writing. Any Improvements purchased by Lessor or that are otherwise the property of Lessor may not be removed without the consent of Lessor and unless they are replaced with reasonably comparable Improvements. Lessee shall not construct any Improvements on the Retail Space during the Term that adversely interfere with the development or use of the YFAC.

reason at all upon 180 days written notice to Lessee provided that on the effective date of such termination Lessor shall reimburse Lessee for the cost of the Construction Funding paid by Lessee, reduced by 10% for each 12 month period in which the lease is in operation following the Commencement Date, subject to adequate appropriations by the City. The Initial Term, together with any exercised Extension Terms, are collectively referred to herein as the “*Term*.”

1.3 Certain Definitions. The following terms shall have the meaning set forth in this Section 1.3:

(a) Commencement Date. The date first set forth above in the introductory paragraph of this Lease.

(b) Construction Funding. The amount paid for by Lessee for the construction work performed on the Retail Space for tenant improvements prior to the Commencement Date.

(c) Event of Default. Has the meaning set forth in Article 9.

(d) Facility. The various buildings, facilities, and improvements located in the City of Norman as depicted on Exhibit A, including the YFAC.

(e) Force Majeure. Any unforeseeable causes beyond a Party's control and without such Party's fault or negligence, including, but not limited to, acts of God, acts of the public enemy, acts of any federal state or local government, acts of the other party, fires, floods, epidemics, quarantine restrictions, strikes, lockouts, freight embargoes, and unusually severe weather or unforeseen environmental or archaeological conditions requiring investigation/mitigation pursuant to federal, state or local laws

(f) Foundation. Trae Young Family Foundation.

(g) Gross Rent. The lease payments for the Retail Space provided in Article 2 hereof.

(h) Improvements. All buildings, structures, equipment, improvements, fixtures and related infrastructure from time to time connected, installed or situated on the land of the Facility, including all landscaping. Improvements shall not include minor capital maintenance items such as, but not limited to, carpeting, wall coverings, artwork, light fixtures, etc.

(i) Leased Premises. The areas leased to Lessee pursuant to this Lease including the Retail Space and designated office space, as depicted on Exhibit A.

(j) Lease Year. Each successive 12-month period during the Term from and including the Commencement Date.

(k) Retail Space. The portion of the Facility, including any improvements therein, that is depicted in Exhibit A and operated pursuant to this Lease by the Lessee.

(p) Term. The term of this Lease as provided in Section 1.2 hereof.

LEASE AGREEMENT

For the Operation of a Retail Store

This Lease Agreement (this "**Lease**") is entered into on the _____ day of _____, 2024, (the "**Commencement Date**"), by and between the City of Norman, Oklahoma, a municipal corporation ("**Lessor**"), and YFAC, LLC, an Oklahoma limited liability company ("**Lessee**"), for the purpose of creating a contractual relationship related to the operation of a retail store within the Young Family Athletic Center ("**YFAC**").

WHEREAS, Norman voters approved the Norman Forward Quality of Life Projects Sales Tax of 2015, providing a one-half (1/2) percent sales tax dedicated to fund a number of Quality of Life projects, including \$22.5 million for the Facility; and

WHEREAS, on July 13, 2021, Lessor entered into an agreement (K-2122-27) with the Foundation to provide for additional funding and an ongoing relationship related to the YFAC;

WHEREAS, in connection with further improvements of YFAC, Lessor desires to lease to Lessee certain space within the YFAC for the operation of a retail sporting goods store; and

WHEREAS, the Parties desire to formalize the Lessee's occupancy of the Leased Premises on the terms set forth herein.

AGREEMENT

NOW, THEREFORE, in consideration of the recitals set forth above and the mutual covenants and agreements contained herein and for other good and valuable consideration, the receipt and sufficiency of which are acknowledged and confessed by each of the parties hereto, the parties hereto have agreed and, intending to be legally bound, do hereby agree as follows:

ARTICLE 1

Grant, Term of Lease and Certain Definitions

1.1 Leasing Clause. Upon and subject to the terms and provisions contained herein, Lessor does hereby lease, demise and let unto Lessee, and Lessee does hereby take and lease from Lessor, the Leased Premises, depicted in Exhibit A attached hereto, for the term and subject to the provisions hereinafter provided.

1.2 Term. The term of this Lease shall be for a period commencing on the Commencement Date and terminating on the 20th anniversary of the Commencement Date (the "**Initial Term**"), unless earlier terminated in accordance with the provisions of this Lease. Lessee shall have the right, at its option, to extend the Term for five additional successive five-year periods (each, an "**Extension Term**"), beginning at the end of the Initial Term or the then-current Extension Term, as applicable. Each Extension Term shall be subject to the same terms and conditions as the Initial Term; provided however, at any time following the fifth anniversary of the Commencement Date, (a) Lessee may terminate this Lease for any reason or no reason at all upon 180 days written notice to Lessor and (b) Lessor may terminate this Lease for any reason or no

11.18 Obligations to Defend Validity of Agreement. If litigation is filed by a third party against any party to this Lease in an effort to enjoin a Party's performance of this Lease, the Parties hereto who are named as parties in such action shall take all commercially reasonable steps to support and defend the validity and enforceability of this Lease. A Party may intervene in any such matter in which the other Party hereto has been named as a defendant. Each Party shall be responsible for its attorneys' fees and costs of litigation.

11.19 Survival. Covenants in this Lease providing for performance after termination of this Lease shall survive the termination of this Lease.

11.20 Entire Agreement. This Lease and the other documents delivered pursuant to this Lease or referenced herein constitute the full and entire understanding and agreement between the Parties with regard to the subject matter hereof. There are no representations, promises or agreements of any Party regarding the subject matter of this Lease not contained in this Lease, the Exhibits attached hereto or the other documents delivered pursuant to this Lease or referenced herein.

11.21 Counterparts. This Lease may be executed in any number of counterparts, each of which shall be an original, but all of which together shall constitute one and the same instrument.

11.22 Waiver of Consequential Damages. Notwithstanding anything in this Lease, to the contrary, Lessor hereby waives any consequential damages, compensation or claims for inconvenience, loss of business, rents or profits as a result of any injury or damage, whether or not caused by the willful or wrongful act of Lessee or its representatives, agents or employees. Anything to the contrary in this Lease notwithstanding, Lessee hereby waives any consequential damages, compensation or claims for inconvenience, loss of business, rents or profits as a result of any injury or damage, whether or not caused by the willful or wrongful act of Lessor or its representatives, agents or employees.

[remainder of page left blank intentionally]

Contract K-2425-38

IN WITNESS WHEREOF, the parties hereto have executed and delivered this Lease as of the date first set forth above.

THE CITY OF NORMAN, OKLAHOMA
(as "Lessor")


(SEAL)

By: _____
Name: Larry Heikkila
Title: Mayor

ATTEST:

By: _____
Name: Brenda Hall
Title: City Clerk

YFAC, LLC
(as "Lessee")

By: 
Name: Raymond Young
Title: Manager

APPROVED BY CITY OF NORMAN LEGAL DEPARTMENT
BY  DATE 2/7/25