



Agenda Commentary

Item Title/ Subject: Reassignment of S.H.A.G. of Mississippi, Inc. Ground Lease

Staff Source: City Clerk Lisa Anders

History/Background Information: The current ground lease with SHAG has a provision whereby with the consent of the City of Clinton, the lease can be assigned to another party. Family Video Club Inc is requesting the lease be reassigned to them.

Item/Subject Summary: The ground lease is for Lots 17 and 18, Block 20 of the original Town of Clinton, Custer County, Oklahoma that is being used as part of the parking lot for the business.

Price/Cost: 0

Recommendation: Staff recommends Council consenting to the reassignment of the ground lease of Lots 17 and 18, Block 20 of the original Town of Clinton to Family Video Movie Club, Inc.

To Whom It May Concern:

Family Video Movie Club Inc. is formally requesting to have the lease, previously agreed upon by SHAG Corporation, reassigned to Family Video Movie Club Inc. This is in reference to the lease agreed upon on March 24, 2008 regarding lots 17 and 18, Block 20, of the original Town of Clinton, Custer County, Oklahoma.

Sincerely,



Shawn Krisher
Regional Manager
Family Video

GROUND LEASE

This Ground Lease is entered by and between the City of Clinton, Oklahoma (hereinafter referred to as the "City"), and S. H.A.G. of Mississippi, Inc., a Mississippi corporation (hereinafter referred to as "SHAG"), on this the 24 day of March, 2008.

Whereas, the City owns lots 17 and 18, Block 20, of the original Town of Clinton, Custer County, Oklahoma; and

Whereas, SHAG owns lots 15, 16, 19, 20, 21 and 22, Block 20 of the original Town of Clinton, Custer County, Oklahoma; and

Whereas, the City utilizes Lots 17 and 18, Block 20, to provide drainage within the City and maintains a drainage ditch in, on, over, and across portions of Lots 17 and 18; and

Whereas, SHAG has developed a commercial building with parking on Lots 19, 20, 21, and 22, Block 20, and plans to develop a commercial building on Lots 15 and 16, Block 20; and

Whereas, SHAG either has or will concrete a portion of the property belonging to the City i.e., Lots 17 and 18, Block 20, in conjunction with the development of its property for commercial business; and

Whereas, the City has "permitted" said development and the parties now desire to enter into a Ground Lease whereby the City conveys to SHAG the right to concrete and utilize Lots 17 and 18, Block 20, not inconsistent with the City's use, and to establish a payment by SHAG to the City.

Now, Therefore, for the mutual considerations hereinabove recited and hereinafter set forth, the City of Clinton, Oklahoma, does hereby grant, bargain, sell, rent, and lease unto SHAG of Mississippi, Inc., a Mississippi Corporation, Lots 17 and 18, Block 20, of the original Town of Clinton, Custer County, Oklahoma, on the terms and conditions hereinafter set forth, as follows, to-wit:

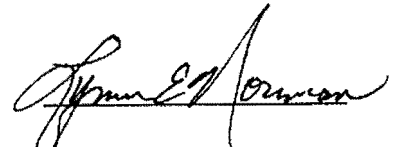
1. That the City shall have the right to utilize Lots 17 and 18, Block 20 for the purpose of providing drainage and maintaining a drainage ditch and/or flow line at its current elevation in, on, over, and across said lots.
2. The City grants to SHAG the right to utilize and develop Lots 17 and 18, Block 20, not inconsistent with the City's current use of said Lots, for the purpose of developing SHAG development's adjoining Lots to include, but not limited to, concreting for parking or other uses not inconsistent with the City's drainage ditch.
3. SHAG agrees to maintain that portion of the drainage ditch it utilizes.
4. That the initial term of this Lease shall be five (5) years, from date, automatically renewable for three (3) additional five (5) year periods on the same terms and conditions as hereinafter set

forth provide there is no breach of the terms and conditions of this Lease during the previous five year term.


5. That SHAG shall pay unto the City Seven Hundred Fifty Dollars (\$750.00) per year as consideration for this Ground Lease, beginning the second year of initial term and each year during the full term of the Lease.
6. SHAG agrees to defend and hold the City harmless from any and all claims, suits, or other liabilities asserted against the City on account of or as a result of SHAG's use of the property herein leased.
7. The City retains the right to access to its property and the drainage ditch located thereon for the purpose of conducting any and all work and/or activities required in order to maintain the drainage ditch in the condition the City deems necessary.
8. This Ground Lease is assignable by SHAG with prior written consent of the City.

Witness the signatures of the parties on this, the 24 day of March, 2008.

City of Clinton, Oklahoma


Lynn E. Norman, Mayor

Attest:



City Clerk

SHAG of Mississippi, Inc.,


Donnie Hendrix, Vice President

Attest:

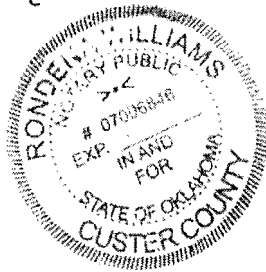


Reagan Hendrix, Secretary

State of Oklahoma
County of Custer

Personally appeared before me, the undersigned authority in and for the aforesaid jurisdiction the named Lynn E. Norman, Mayor of Clinton, Oklahoma, and Lisa Anders, City Clerk, who stated that they signed the above and foregoing Ground Lease on the day and year therein stated as the act and deed of the City of Clinton, Oklahoma, after first being authorized sot to do.

This, the 24th day of March, 2008.

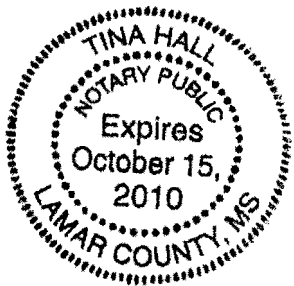


Rondeena Williams
Notary Public
My Commission Expires July 18, 2011

State of Mississippi
County of Lamar

Personally appeared before me, the undersigned authority in and for the aforesaid jurisdiction the named Donnie Hendrix, Vice President, and Reagan Hendrix, Secretary of SHAG of Mississippi, Inc., who stated that they signed the above and foregoing Ground Lease on the day and year therein stated as the act and deed of SHAG of Mississippi, Inc., after first being authorized sot to do.

This, the _____ day of _____, 2008.



Tina Hall
Notary Public
My Commission Expires 10-15-10