



## *Agenda Commentary*

**Item Title/ Subject:** ZQC Chemical Contract

**Staff Source:** City Manager, Steve Hewitt

**Date:** Jan. 15<sup>th</sup>, 2013

**History/Background Information:**

Council approved a lease with ZQC Chemical Solutions, LLC back in October of 2012 to replace Brainerd Chemical at our Glenn Smith location.

**Subject Summary:**

Zane Stinnett of ZQC has failed to sign the lease and has asked for some changes. Term 1. Provides a 5 year term. Mr. Stinnett is asking for a 120 termination clause. Starting Lease March 1<sup>st</sup>, 2013.

**Recommendation:**

Staff has no issues with these changes. Brainerd informed the City they wouldn't renew the lease, this brings in a new business to that property and continued revenue.

**Price/Cost:** \$1500 monthly rent

## AGREEMENT

THIS AGREEMENT is made and entered into by and between the Clinton Industrial Authority of Custer County, Oklahoma, hereinafter referred to as "Lessor", and ZQC Chemical Solutions, LLC., hereinafter referred to as "Lessee", this \_\_\_\_ day of \_\_\_\_\_, 2013 ("Effective Date").

For the consideration of \$1,500 per month, Tenant does hereby rent the property owned by the Clinton Industrial Authority at 213 E. Hayes and described more particularly as:

A tract of land lying in the Northeast Quarter of the Southeast Quarter (NE/4 SE/4) of Section 14, Township 12 North, Range 17 West of the Indian Meridian, Custer County, Oklahoma, said tract being more particularly described by metes and bounds as follows:

Beginning at the Southeast corner of said NE/4 SE/4; thence North 89°30'58" West along the South line of said NE/4 SE/4 a distance of 310.76 feet to a point; thence North 10°08'41" East a distance of 388.64 feet to a point thence South 79°51'59" East a distance of 249.56 feet to a point on the East line of said NE/4 SE/4; thence South 00°33'53" West along the East line of said NE/4 SE/4 a distance of 341.30 feet to the point of beginning. Containing 2.33 acres more or less, and being subject to easements and conveyances of record.

The terms and conditions of the lease between the parties shall be as follows:

### Term.

1. This lease shall extend for a period of five (5) years beginning on the Effective Date executed by both parties. The lease may be extended by Lessee upon the same terms and conditions, with a reasonable increase in rent, for successive periods of five (5) years each with sixty (60) days written notice to Lessor. Lessee may terminate the Lease at any time upon One Hundred Twenty (120) days written notice to Lessor.

### General.

2. Lessee agrees to pay all real estate taxes or assessments if any are levied against the leased premises before the same become delinquent, In the event Lessee fails to pay such taxes, lessor may, at its option, pay any such taxes and assessments that may be levied against the premises, and add such amounts to the following month's rent.
3. Lessee agrees to indemnify Lessor against liability on all claims for damages and injuries to persons on the property, which result from the activities or

omission of Lessee or its agents or its employees upon the demised premises during the term thereof.

4. Nothing in this lease shall be construed to prevent the Lessor from making such use of the leased premises as they may see fit, so long as such use in no way restricts, limits, or interferes with the operation of, and the use of the premises by Lessee.
5. All improvements and equipment placed on the leased premises by Lessee shall remain on the property of Lessee, and Lessee shall have the right to remove such property prior to the expiration of this lease provided the removal will not cause injury to the subject property.
6. This agreement shall inure to the benefit of and shall be binding upon the heirs, legal representatives, successors and assigns of the parties, provided that Lessee may not assign this lease without the permission of Lessor.
7. Tenant shall use best efforts to avoid damaging the property, ordinary wear and tear accepted. In spite of best efforts, should damages occur, outside of normal wear and tear, the tenant will indemnify the Lessor against any loss of any nature.
8. Tenant shall not make any alterations or additions or improvement in or to said premises without written consent of the Lessor.
9. Tenant is responsible for all utility services at the subject premises.
10. Upon default, Lessor shall have the right to terminate this lease and immediately reenter the property.

Witness the hands of the parties the say and date first above written.

CLINTON INDUSTRIAL AUTHORITY

ZQC CHEMICAL SOLUTIONS, LLC

\_\_\_\_\_  
Seth Adams, Chairman

\_\_\_\_\_  
Zane Stinnett

ATTEST:

ATTEST:

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Lisa Anders, Secretary

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Secretary