



Agenda Commentary

Item Title/ Subject: Lease Contract with Custer County Friends for Life

Staff Source: Lisa Anders

History/Background Information: In March 2014, Friends for Life made a presentation to the Authority regarding leasing City property for a facility at Walton Road and Commerce.

Item/Subject Summary: City Attorney Ryan Meacham has worked with legal counsel of Friends for Life on the preparation of the lease contract that is being presented.

Price/Cost:

Recommendation:

LEASE CONTRACT

THIS LEASE is made and entered into by and between THE CLINTON INDUSTRIAL AUTHORITY, a Public Trust created under the laws of the State of Oklahoma, ("Authority") and CUSTER COUNTY FRIENDS FOR LIFE SOCIETY, an Oklahoma Not For Profit Corporation ("FFL"), this ____ day of _____, 2014.

WHEREAS, the Authority owns a tract of land in the Northeast Quarter of Section 34-12-17, described more specifically below.

WHEREAS, FFL is a Not For Profit Corporation devoted to rescuing animals and providing adoption services.

WHEREAS, FFL intends to construct a sanctuary for rescued animals and needs a site for its construction.

NOW THEREFORE, for the mutual consideration hereinabove recited and hereinafter set forth, the Authority does hereby Lease unto FFL, under terms and conditions hereinafter set forth, the following described property:

A tract of land lying in the Northeast Quarter (NE/4) of Section 34, Township 12 North, Range 17 West of the Indian Meridian, Custer County, Oklahoma, described by metes and bounds as follows: Beginning at a point 790.28 feet West of the Northeast Corner of said NE/4, said point being on the North line of said NE/4; thence N 89°37'25" W and along said North line 356.31 feet to a point on the centerline of S.H. #14; thence Southeasterly on a curve to the left with a radius 5729.58 feet and along said centerline 563.28 feet (with a chord bearing of S 10°05'59" E 563.05 feet); thence S 89°37'25" E 419.88 feet; thence N 16°18'30" W 578.00 feet to the point of beginning, containing 4.992 acres more or less

1. **Term:** The term of this Lease shall commence upon the date of execution of this Lease and continue for thirty years or until written notice from Authority that FFL is in default as hereinafter described.
2. **Consideration:** FFL shall make payment in the amount of \$300.00 per year, payable on the 1st day of August of each year during the term of this Lease, beginning August 1, 2014. If payment is not made by the 10th day of the month when due, there will be a \$50.00 late fee.
3. **FFL's Use of the Leased Property:** It is agreed to and understood by both parties that FFL intends to make substantial improvements to the leased property. Under the terms and conditions of this Agreement, FFL has the authority to construct any and all facilities required for the continuation of its stated purpose provided that said improvements meet with all state and municipal statutes, ordinances, and regulations. FFL shall be responsible for any enhanced ad valorem taxes as a result of the subject improvements.
4. **Utilities:** It is understood by the parties that the subject tract is not currently serviced by city water or sewer. The Authority agrees, as a part of this agreement, to provide water and sewer service to the subject tract at a point on the property most convenient for the city's extension of the service. FFL shall be responsible for the monthly cost of all utilities including the water,

sewer, and garbage which shall be placed in the name of FFL. FFL shall receive a \$100.00 credit each month on its utility bill.

5. **Indemnity:** FFL shall indemnify Authority against and hold Authority harmless from, any and all claims, actions, suits, proceedings, costs, expenses, damages, or liability of any sort, including reasonable attorney's fees arising out of or connected with the negligence of FFL, further, FFL shall keep liability insurance on the subject property for an amount not less than \$500,000.00.
6. **Option:** This Lease may be continued for an additional term of thirty years upon written notice by FFL to Authority at least six months prior to the termination of the Lease.

Additionally, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Authority grants unto FFL an Option to lease an additional five acres (as described below), under the same terms and conditions as described in this Lease agreement for the negotiation of additional rent consideration which shall be negotiated at the time the Lease Option is exercised. The option to lease the below described premises shall expire five years from the date this Lease is executed.

A tract of land lying in the Northeast Quarter (NE/4) of Section 34, Township 12 North, Range 17 West of the Indian Meridian, Custer County, Oklahoma, described by metes and bounds as follows: Commencing at the Northeast Corner of said NE/4; thence N89°37'25" W and along the North line of said NE/4 790.28 feet; thence S 16°18'30" E 578.00 feet to the point of beginning; thence S 16°18'30" E 533.00 feet; thence N 89°37'25" W 427.02 feet to a point on the centerline of S.H. #14; thence Northwesterly on a curve to the right with a radius of 5729.58 feet and along said centerline 531.18 feet, (with a chord bearing of N 15°34'19" W 530.99 feet); thence S 89°37'25" E 419.88 feet to the point of beginning, containing 5.01 acres more or less

7. **Assignment:** This Lease shall not be assigned by FFL without the written permission of Authority.
8. **Improvements:** All improvements and fixed equipment placed on the property by FFL shall remain the property of FFL during the term of this Lease. Upon the expiration of the term of this Lease or upon earlier termination of this Lease if FFL defaults on any of its obligations provided for in the Lease and fails to cure such default after being given at least 15 days prior written notice of such default mailer either to P.O. Box 9615, Weatherford, Oklahoma 73096 or to the address of the leased property if FFL constructs a building on such property, all improvements and fixed equipment shall become the property of the Authority.

THE CLINTON INDUSTRIAL AUTHORITY

CUSTER COUNTY FRIENDS FOR LIFE SOCIETY

By: _____
Its: _____

By: _____
Its: _____

ATTEST:
