


**SUBJECT: Airport Lease Document**

REQUESTED BY: Ric Davidge, Economic Development Planner 

PREPARED BY: Planning Staff

DATE: November 12, 1999

FOR AGENDA OF: November 22, 1999

**SUMMARY:**

The Wasilla Planning Commission approved the rewrite of the Airport Lease on November 9, 1999 and is forwarding the document to council for information purposes only.

**FISCAL IMPACT:**  No  Yes, amount requested: \$

Fund:

**RECOMMENDED ACTION:** Informational Purposes Only.

**MAYOR REVIEW/COMMENT:**

Presented to Council

Date 11/22/99

Verified by RV



Reviewed by: SARAH PALIN, Mayor

Attachments: Lease of Lot Document  
Memo Dated 11/16/99 From Ric Davidge  
Re: New Airport Lease Document

# City of Wasilla

## Economic Development, Planning

### MEMO

**DATE:** 11/16/99 4:15 PM

**TO:** City Council

**FROM:** Ric Davidge, Economic Development/Planning



**SUBJECT:** New Airport Lease Document

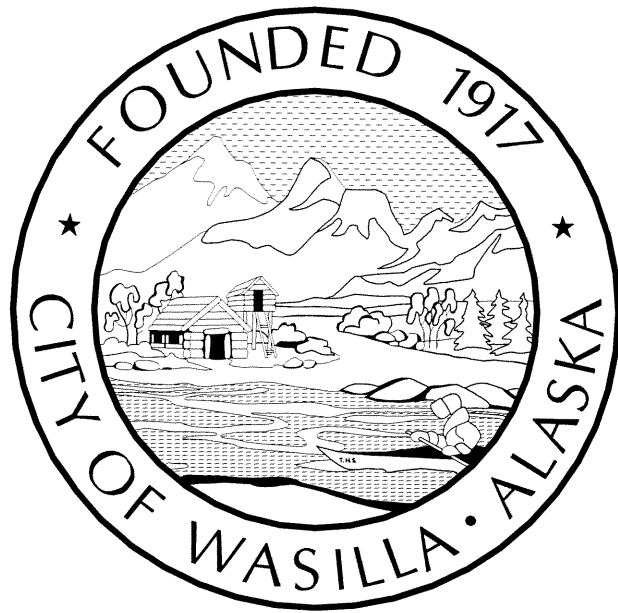
Consistent with your recent amendments to the code streamlining our airport leasing procedures, we have also developed, and the Planning Commission has reviewed and approved, a new airport lease document.

This new lease document is shorter, clearer, and less threatening to potential private and commercial lease applicants than our old airport lease.

The new Airport Lease Document is a base from which the city will negotiate leases at the Wasilla Municipal Airport. No single document can anticipate all variable in leasing commercial property. As we find problems with this document we will make modifications and have the City Attorney and Planning Commission review them to ensure they are consistent with the public interest and the City Code.

Please take the time to review the new lease document and if you have any comments or concerns let us know.

Attachment: New Airport Lease Document



LEASE  
of Lot  
City of Wasilla  
and

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APPENDIX A - Permitted Uses  
LEASE

This LEASE is between the CITY OF WASILLA, an Alaskan municipal corporation hereinafter referred to as the "Lessor", and \_\_\_\_\_, hereinafter referred to as the "Tenant".

The parties hereby agree as follow:

**ARTICLE 1**

PREMISES, TERMS AND RENTALS

Section 1.1 Premises

Lessor leases to tenant, and tenant leases from lessor, the following described real property (hereinafter "the Property"):

\_\_\_\_\_, New Wasilla Airport, as shown on Plat 92-39, recorded July 21, 1992, Palmer Recording District, Third Judicial District, State of Alaska,

Section 1.2 Term

The term of this lease shall be for a period of twenty (20) years, commencing on the first day of \_\_\_\_\_, and expiring on the last day of \_\_\_\_\_, unless sooner terminated as provided in this lease.

Section 1.3 Rent

- (a) Tenant shall initially pay to the Lessor the amount of \_\_\_\_\_ (\$\_\_\_\_\_) per month, payable monthly in advance beginning on the \_\_\_ day of \_\_\_\_\_, 199\_\_ and on the first day of each month thereafter at the office of the Lessor. Failure to pay rent by the tenth (10th) day of the month shall obligate the Tenant to pay a late charge of ONE HUNDRED DOLLARS (\$100.00) for each late payment.
- (b) All taxes, charges, costs and expenses that the Tenant is required to pay, and all damages, costs and expenses that the Lessor may incur by reason of any default of the Tenant or failure on the Tenant's part to comply with the terms of the lease, shall be deemed to be additional rent and in the event of nonpayment by the Tenant, the Lessor shall have all the rights and remedies with respect thereto that the Lessor has for the nonpayment of the basic rent.

Section 1.4 Rent Adjustment

At each five-year interval, the fair market value of the Property leased to the Lessee and an appropriate lease rate shall be determined by the City Council in a manner deemed appropriate by the Council. The tenant shall pay that amount of rent to Lessor for each subsequent five-year

interval.

## ARTICLE II

### USE

#### Section 2.1 Airport Purposes

This property shall be used for: \_\_\_\_\_  
\_\_\_\_\_.

#### Section 2.2 Prohibited Uses

Tenant shall not use or permit any part of the Property to be used for any unlawful purpose or for any purpose, that may constitute a nuisance or hazard to health, safety, or property. Tenant shall not permit any part of the Property to be used for any purpose in violation of any applicable law, lawful order, or rule or regulation relating to the operation or use of the Wasilla Municipal Airport.

#### Section 2.3 Hazardous Material

- (a) Tenant shall not cause or permit any hazardous material to be on or used on the Property without the written consent of lessor. Lessor shall not unreasonably withhold consent if any such materials are necessary or useful to tenant's business, and will be stored and used in a manner complying with all laws and regulations regulating use and storage of hazardous materials.
- (b) Tenant shall defend, indemnify, and hold the lessor harmless from any claims, damages, fines, penalties, liabilities or losses resulting from any breach of subsection (a) above, or from hazardous material being on the property. If clean-up or property restoration is required, tenant shall be considered the Responsible Party under any and all applicable State and Federal laws and regulations, and shall pay all costs connected with clean-up or restoration.

#### Section 2.4 Reservations and Exceptions

Lessor represents that it is not currently aware of any conditions, reservations, limitations, provisions, or terms imposed upon the premises of the Wasilla Airport in any grant, loan, lease, permit, patent, deed or any other conveyance to the Lessor from the United States or the State of Alaska that would unduly interfere with or prohibit the activities contemplated by the Tenant.

However, there may be future circumstances that impose certain restrictions or limitations upon the use of the airport facilities. To deal with that possibility, the parties agree as follows:

This lease is made by the lessor and accepted by the tenant conditioned upon and subject to any conditions, reservations, limitations, provisions, or terms imposed upon the premises of the Wasilla Municipal Airfield, as contained in any grant (including any monetary grant or loan), lease, permit, patent, deed, or any other conveyance to the Lessor of the Property, from the United States, or the State of Alaska, including their agencies. In the event that any such condition, reservation, limitation, provision or term shall prevent, without fault of

the Lessor, this lease from continuing in full force and effect, the Lessor shall have the option to terminate this lease immediately and at any time, without liability to the Tenant.

#### Section 2.5 Subordination of Lease to Requirements of the Federal Aviation Agency

- (a) This lease shall be subordinated to the provisions of any existing or future agreement between the Lessor and the State of Alaska or the United States, relative to the operation or maintenance of the Wasilla Municipal Airport.
- (b) The Lessor has undertaken and may in the future undertake certain obligations respecting its operation of the Wasilla Municipal Airport and activities of its contractors, tenants and permittees. If the State of Alaska, the Federal Aviation Administration, or any other governmental body having jurisdiction over the obligations of the Lessor in its operation of the Wasilla Municipal Airport shall take any action affecting the operations of Tenant, Tenant shall promptly comply with these actions as the Lessor may direct.

#### Section 2.6 Aircraft on Premises

The Tenant shall provide Lessor, upon request, a list identifying all aircraft on the premises for any purpose, together with the aircraft type, model and number, the name and address of the owner, the purpose of the aircraft being on the premises, and such other information the Lessor may request.

#### Section 2.7 Discriminatory Acts Prohibited

- (a) The Tenant shall furnish any service to be rendered by the Tenant on a fair, equal and not unjustly discriminatory basis to all users. In performing such services, Tenant shall charge fair, reasonable and not unjustly discriminatory prices or rates, provided the Tenant may make reasonable and discriminatory discounts, rebates or other similar types of price reductions to volume users or purchasers, or in recognition of significant private investment.
- (b) The Tenant shall not discriminate against any person or class of persons by reason of race, color, creed, gender, or national origin.

#### Section 2.8 Maintenance of Premises

The Tenant shall keep the entire premises in good repair and in a neat, orderly and sightly condition. The Tenant shall not cause or permit to remain any litter, garbage, debris, weeds or other items and materials of other kind whatsoever. The Tenant shall not store such things as parts, lumber, and oil or gasoline drums outside of a building, unless express written permission is granted by the Lessor to do so. The Tenant shall remove any and all such materials within five (5) days of written notice from Lessor.



## Section 2.9 Signs

The Tenant may erect one sign, securely mounted on the building, not to exceed twenty-five (25) square feet in size bearing the Tenant's trade name and business description, providing the sign meets all municipal sign ordinance requirements. No freestanding signs are permitted. The Tenant shall not, without Lessor's written consent, place any additional signs on the Property. At the termination of this lease, all signs shall be removed by the Tenant at Tenant's expense.

## Section 2.10 Improvements and Alterations

- (a) Prior to commencing construction, renovation, enlargement, demolition, or modification of leasehold improvements now or hereafter existing on the Property, Tenant shall submit plans and specifications for such work to the Lessor for approval. Work shall not be commenced until such approval is obtained from the Lessor. All construction shall be in accordance with the approved plans and specifications. The Lessor's approval of plans and specifications submitted to him by Tenant shall not constitute the assumption of any liability by Lessor for compliance or conformity with applicable building codes, land use regulations, development and City, Borough, State and Federal laws, ordinances and regulations, or for their accuracy, and Tenant shall be solely responsible for such plans, and specifications. The Lessor may subsequently direct the Tenant to amend the same to provide for any corrections or omissions needed to comply with applicable building codes, zoning regulations or standards, City, Borough, State or Federal laws, ordinances, standards or regulations.
- (b) Tenant shall obtain all necessary licenses and permits to accomplish any of the work described in Section 2.10(a). Nothing in this lease shall limit or restrict the City, Borough, or State of Alaska in the exercise of its police power, authority to enforce building, fire and other safety codes, laws, ordinances or regulations.
- (c) Any contract or agreement for labor, services, materials or supplies to be furnished in connection with construction or alteration of any improvement to the Property shall provide that no lien, claim or other encumbrance shall thereby be created, or arise, or be filed by anyone against the Lessor or upon or against the Property or the improvements. Before the commencement of any work, Tenant shall deliver to Lessor either an executed duplicate original of the contract or a written waiver by the architect, engineer, contractor, material man, mechanic, person or corporation named in the contract of all right of lien which may exist or be created upon or against the Property, or the improvements to be constructed or altered, or any interest of Lessor. Tenant hereby warrants to Lessor that the Property and all improvements shall be free and remain free of all liens, claims and encumbrances and agrees to indemnify, defend and hold harmless from and against any and all losses, damages and costs, including reasonable attorneys' fees, with respect thereto. If any lien or notice of lien on account of the alleged debt of Tenant or lien or notice of lien by any party engaged by Tenant or Tenant's contractor to work on the Property shall be filed against the Property or improvements, Tenant shall cause the same to be discharged of record by payment, deposit, bond, order of a court of competent jurisdiction or otherwise.
- (d) No work described in Section 2.10(a) whose estimated cost exceeds \$100,000

shall be commenced by Tenant until it has, at its sole cost and expense, provided to Lessor a performance and payment bond from a company acceptable to the Lessor in an amount equal to 110% of the estimated cost of the improvements to be accomplished, which bond guarantees the completion of the work by Tenant's contractors in accordance with the plans and specifications theretofore approved by Lessor and guarantees the payment by such contractors of all subcontractors' charges and all other persons and firms supplying services, labor, materials or supplies in connection with the work.

- (e) Title to improvements constructed by Tenant shall remain in Tenant during the term of this lease or an authorized extension, but such title shall vest in Lessor upon the termination of this lease.

#### Section 2.11 Tenant's Right to Terminate

If any governmental body, agency or official, other than Lessor, prohibits or otherwise prevents the use of the Wasilla Municipal Airport as a public airport for one year or more, or should the continued use of the Wasilla Municipal Airport as an airport become impossible or unlawful without the fault of the Tenant, the Tenant shall have the option to terminate this lease on thirty (30) day written notice to Lessor.

#### Section 2.12 Lessor's Improvements

- (a) Lessor shall have a permanent right of access over, under and across the Property for the purposes of maintaining, servicing, upgrading or removing any Lessor-installed improvements including, but not limited to, pavement, aircraft tie-downs, light poles, and fencing. The Lessor shall provide a snow storage area on the Airport property for use of the tenants, but shall have no responsibility for sanding or removing snow from Tenant's leased Property.
- (b) All improvements constructed by the Lessor shall at all times remain the property of Lessor and may be maintained, upgraded, serviced or removed at Lessor's convenience and discretion.
- (c) Lessor shall make all reasonable efforts to coordinate any maintenance or repair work with Tenant and to avoid disrupting Tenant's use of the premises whenever possible.
- (d) The purpose of the paving and tie-down improvements is to provide clean and serviceable areas for public use aircraft parking. Tenant may make reasonable use of these improvements, if they are not destroyed or removed, or used in a manner that converts them to a non-public use.

#### Section 2.13 Aviation Easement

Tenant's right to use the Property for the purposes, as set forth in this lease shall be secondary and subordinate to the operation of the Airport. Lessor specifically reserves for itself, other Wasilla Municipal Airport leaseholders, and for the public, an easement for the passage of and noise caused by aircraft in the air space above the surface of the Property. Tenant shall not construct any building or facility to a height, which in Lessor's discretion will interfere with the

operations of the Airport.

**ARTICLE III**

**TAXES, INDEMNIFICATION AND INSURANCE**

**Section 3.1 Taxes, Assessments and Utilities**

Tenant shall pay when due all taxes, assessments and charges upon the Property and upon buildings, improvements and property thereon, that are assessed or charged at any time during the term. Upon request, the Tenant shall furnish official receipts from the appropriate taxing authorities or other proof satisfactory to the Lessor evidencing payment to the Lessor for Lessor's inspection. Tenant shall pay and be responsible for all charges for gas, electricity, water, light, heat, power, garbage, solid waste, and other utility services used on or supplied to the Property.

**Section 3.2 Indemnification**

The Tenant shall defend, save and hold the Lessor harmless from any and all claims, demands, suits or liability, including all attorneys' fees arising from any and all loss, damage to property or injury to persons occurring in connection with the occupancy of the property or operations under this lease. This indemnification agreement includes claims alleging acts or omissions by the Lessor or its agents, which are claimed to have contributed to the loss or damage. However, Tenant shall not be responsible for any damage or claim arising from the sole negligence or willful misconduct of the Lessor or its agents.

**Section 3.3 Insurance**

The Tenant shall obtain and maintain throughout the period of performance of this lease insurance in the following minimum requirements:

- A. Workers, Compensation Insurance, covering all employees of the Tenant, in statutory limits, to include any of the obligations assumed by the Tenant under this Lease.
- B. Commercial Automobile Liability Insurance, whether Owned, Hired, or Non-Owned; liability limits of not less than \$500,000.00 Combined Single Limit or Liability per Accident/Unlimited Annual Aggregate including Uninsured/Underinsured Motorist, with minimum limits as follows:

\$500,000.00	Bodily Injury Limit Per Person
\$500,000.00	Bodily Injury Limit Per Accident
\$500,000.00	Property Damage Per Accident

- C. Premises Liability in the Amount of

\$1,000,000.00	Combined Single Limit of Liability per Occurrence
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The Policy shall be endorsed to include the City of Wasilla as an additional insured, with a minimum of thirty (30) days notice of cancellation to the City of Wasilla. Prior

to the execution of this Lease, certificates of insurance and/or letter verification of the effectiveness of such insurance, shall be furnished so as to demonstrate compliance with the foregoing insurance requirements. Continuing evidence of compliance with the insurance requirements in the form of certificates and/or letters of verification may be requested by the Lessor at any time.

## ARTICLE IV

### ASSIGNMENT AND SECURITY INTERESTS

#### Section 4.1 Assignment or Sub-Leasing

- (a) Tenant shall not assign or sublet any interest in the premises, or any part thereof, nor permit the occupancy of any part thereof by any other person or entity without the prior written consent of the Lessor, which consent shall not be unreasonably withheld. Lessor shall not be required to consent to any assignment or sublease unless the proposed assignee or sublessee agrees in writing to assume and perform all the terms, conditions and covenants of this lease. Tenant shall furnish the Lessor with a copy of any proposed assignment or sublease for approval prior to any assignment of sublease, and shall further furnish a copy to the Lessor of any executed assignment or sublease.
- (b) If Tenant is a corporation, assignment for purposes of this lease shall include, but not be limited to, any change in the structure of or the ownership of shares of stock in the corporation whereby control of the affairs of the corporation is transferred to persons other than those exercising such control on the date of execution of this lease or on the date of Lessor's approval of the immediately prior-assignment.
- (c) No assignment, sublease, or occupancy permitted under subparagraph (a) of this paragraph shall relieve Tenant of any of Tenant's obligations herein. Tenant agrees to save the Lessor harmless from any liability or loss because of the nonpayment of rentals, taxes or assessments or other charges incurred on the premises by the assignee, sublessee or occupant.

#### Section 4.2 Mortgage and Encumbrances

Tenant shall not mortgage or otherwise encumber this lease, including Tenant's leasehold estate and the improvements thereon, without the prior written consent of Lessor, except that encumbrance of the improvements or leasehold only (but not the underlying property) is allowed for the purpose of financing the construction of approved leasehold improvements. Tenant shall furnish Lessor with a copy of any agreement mortgaging or encumbering the Property for the Lessor's approval prior to executing any mortgage or encumbrance, and shall also furnish a copy to the Lessor of any such executed security transactions.

## ARTICLE V

### DEFAULT AND ENFORCEMENT

#### Section 5.1 Default Defined

Each of the following shall be deemed a default by the Tenant and a breach of this lease:

- (a) Failure to pay the rent provided herein, or any part thereof, for a period of ten (10) days after it is due.
- (c) Failure to provide and maintain in effect insurance in compliance with Section 3.3.
- (d) Failure to do, observe, keep and perform any other term, covenant, condition, agreement or provision contained in this lease for a period of thirty (30) days after written notice of such failure is sent by Lessor, or, in the case of a default not reasonably susceptible of being cured within thirty (30) days (which does not include any default which may be cured by the payment of money), failure to commence promptly and proceed diligently and in good faith to cure within a total of sixty (60) days after the sending of the notice.
- (e) The abandonment of the premises by the Tenant, the making by the Tenant of a general assignment for the benefit of creditors, or the appointment of a permanent or temporary receiver for the Tenant's property, which is not vacated or set aside within thirty (30) days of the sending of written notice of such event by Lessor.

#### Section 5.2 Lessor Remedies on Default

In the event of any default by the Tenant, the Lessor may:

- (a) Terminate this lease in accordance with Section 5.3, below,
- (b) Reenter the Property without terminating the lease in accordance with Section 5.4, below,
- (c) Perform any act required hereunder to be performed by the Tenant and recover the cost thereof as provided in Section 5.5, below,
- (d) Recover damages in accordance with Section 5.6, below, and,
- (e) Obtain any other remedy provided at law or in equity, including but not limited to, injunctive relief.

The remedies given to Lessor in this lease are cumulative and may be exercised in any combination without regard to the consistency thereof.

#### Section 5.3 Termination

In the event of default by the Tenant, Lessor may send a written notice to the Tenant stating that the Lessor elects to terminate this lease upon a specified date not less than thirty (30)

days after the date of the sending of such notice at which date this lease shall expire as if that date had been originally fixed as the expiration date of the term unless the default is cured within the applicable period provided in the notice of termination. Upon termination, all interest of the Tenant in the Property shall expire and Lessor shall have the right to immediate possession.

#### Section 5.4 Reentry

In the event of a default by the Tenant, the Lessor may send a written notice to the Tenant stating that the Lessor elects to reenter the premises without terminating the lease upon a specified date not less than thirty (30) days after the date of the sending of the notice. Lessor may on that date or at any time thereafter, reenter and resume possession of the Property or any part thereof, and remove all persons and property therefrom, either by a suitable action or proceeding at law, or otherwise, without being liable for any damages therefore. No reentry by the Lessor shall be deemed an acceptance of surrender of this lease or a liquidation or satisfaction to any extent whatsoever of Tenant's liability to pay rent as provided. Lessor may in its own name, but as agent for the Tenant, relet the whole or any portion of the premises for any period equal to or greater or less than the remainder of the term, for any sum which it may deem appropriate, and in connection with any such lease the Lessor may make such changes in character of the improvements on the premises as the Lessor may determine to be appropriate or helpful in effecting such lease. However, in no event shall the Lessor be under any obligation to relet the premises for any purpose which the Lessor may regard as injurious to the premises, or to any tenant which the Lessor, in the exercise of reasonable discretion, shall deem to be objectionable. Lessor may, at any time after reentry, terminate this lease in accordance with Section 5.3.

#### Section 5.5 Lessor's Right to Perform

In the event of default by the Tenant, the Lessor at Lessor's discretion may cure such default on behalf of the Tenant for the account and at the expense of Tenant, in which event Tenant shall reimburse the Lessor for all sums paid to effect such cure, together with interest at the statutory rate of TEN AND ONE-HALF PERCENT (10.5%) per annum and reasonable attorneys' fees. In order to collect such reimbursement, the Lessor shall have all the rights and remedies available under this lease for a default in the payment of rents.

#### Section 5.6 Damages

In the event of default by Tenant, Lessor shall have the right to recover from Tenant at any time:

- (a) An amount equal to all sums required hereunder to be paid by Tenant including, but not limited to, sums paid by the Lessor pursuant to Section 5.5, above;
- (b) An amount equal to all expenses, if any, incurred by the Lessor in recovering possession of the premises and all costs and charges for the care of the premises while vacant;
- (c) In the event of termination of this lease by the Lessor pursuant to Section 5.4, above, an amount equal to the difference between the value discounted to date of termination of the rent hereunder for the term of the lease remaining, if Lessor had not terminated, and the value discounted to the date of termination of the net rent which the Lessor might reasonably expect to receive from the Property for the

balance of the term remaining, if Lessor had not terminated, including, but not limited to, a reasonable allowance for vacancies;

- (d) In the event of reentry by the Lessor pursuant to Section 5.4, above, either before or without termination thereafter, an amount equal to the amount of all rent provided by this lease less the next rent, if any, collected by the Lessor on reletting the premises allowing for all actual expenses of the Lessor which amount shall be due and payable by the Tenant; and
- (e) All reasonable attorneys' fees and costs incurred by Lessor in any proceeding to enforce this lease or exercise any remedy hereunder.

#### Section 5.7 Right of Access

The Lessor shall have the right to enter upon the Property during reasonable hours for any purpose. The Lessor also reserves the right of access and the right to abate any nuisances or hazardous conditions on the premises without notice when in the Lessor's good faith judgement an emergency exists.

#### Section 5.8 Lessor's Failure to Enforce and Nonwaiver

No failure by the Lessor to insist upon the strict performance of any term, condition or covenant of this lease or to exercise any right or remedy available on a breach thereof, and no acceptance of full or partial rentals during the continuance of any such breach shall constitute a waiver of any such breach or any such term, condition or covenant. No term, condition or covenant of this lease required to be performed by the Tenant, and no breach thereof, shall be waived, altered or modified, except by written instrument executed by the Lessor. No waiver of any breach shall effect or alter any term, condition or covenant of this lease, and each such term, condition or covenant shall continue in full force and effect with respect to any other then existing or subsequent default or breach. Any other or subsequent default or breach may be enforced by Lessor as provided in this lease.

### **ARTICLE VI**

#### GENERAL COVENANTS

#### Section 6.1 Condition and Status of Premises

Tenant acknowledges that Tenant has examined the Property and accepts same in its present condition without any representation or warranty, express or implied in fact or by law, by the Lessor as to the title, nature, condition or usability of the premises for the purposes set forth in this lease, all of these warranties being hereby expressly disclaimed by Lessor.

## Section 6.2 Risk of Loss

No destruction or damage to any building or improvement on the Property by fire, rain, ice, snow, windstorm, earthquake, aircraft damage or any other casualty or action of the elements shall entitle the Tenant to surrender possession of the Property, to terminate this lease, to violate any of its provisions, or to cause any rebate or abatement in rent when due or thereafter becoming due.

## Section 6.3 Repair or Rebuilding

Upon the destruction or damage to any building or structure by fire, rain, ice, snow, windstorm, earthquake, aircraft damage or any other casualty or action of the elements, the Tenant shall have the right to repair, restore or rebuild within one (1) year after the date of such occurrence. However, in the event that good cause is shown, Lessor may consent to an extension of time in which to accomplish the restoration or rebuilding. Such consent by the Lessor will not be unreasonably withheld.

## Section 6.4 Condemnation

- (a) If the Property, or any part thereof rendering the remainder unusable, is taken by eminent domain, this lease shall expire on the date when the Property is taken by a declaration of taking, or on the date when the condemnor is granted possession of the premises, and the rent shall be apportioned as of that date.
- (b) The Tenant shall be entitled to the award for the building, structures and the Tenant's improvements and the Lessor shall be entitled to award for the ground leased and for any improvements placed upon and benefiting the premises by the Lessor or acquired by the Lessor from the Tenant or any other person.

## Section 6.5 Surrender of Premises

At the expiration or termination of this lease or an authorized extension, or upon reentry by Lessor, the Tenant shall peacefully and quietly surrender the Property in as good a condition as it was at the beginning of the initial term, reasonable use and wear and damages by the elements excepted.

## Section 6.6 Reversion and Removal of Buildings and Improvements

All buildings, structures or improvements placed by the Tenant upon the Property shall revert to and become the property of the Lessor upon the expiration or termination of this lease for any cause whatsoever. Lessor in its sole discretion may require Tenant to remove part or all of the improvements including, but not limited to, fuel tanks and lines, and partially or completely restore the Property to its condition when leased by sending written notice requesting such removal and restoration within sixty (60) days after such expiration or termination. Tenant shall then at its own expense complete the removal and restoration within ninety (90) days of the sending of the notice.



Section 6.7 Holdover

In the event the Tenant shall hold over after the expiration or termination of this lease for any cause whatsoever, such holding over shall be deemed a tenancy from month to month only, at the same rental per month and upon the same provisions set forth in this lease. The lessor may terminate this holdover tenancy Tenant written prior notice of at least thirty (30) days. Such holding over period shall include any time employed by the Tenant to remove any buildings, structures or improvements permitted by this lease.

Section 6.8 Right-of-Way Easement

Lessor shall have the right to designate or grant right-of-way or utility easements across the Property without compensation to Tenant, provided that Tenant shall be entitled to compensation for the taking or destruction of any Tenant's improvements and provided further that the Tenant, at his option, may terminate this lease or may demand a rental adjustment to reflect any reduction in value of the Property.

Section 6.9 Notices

Any notices required to be sent in accordance with the terms of this lease, including legal process, shall be sent in writing by registered or certified mail, to the parties at the following addresses unless otherwise notified in writing and deemed to be received when so sent:

Lessor's Address:      City of Wasilla  
                                    290 E. Hering Avenue  
                                    Wasilla, Alaska 99654

Tenant's Address:

Section 6.10 Rights or Remedies

No right or remedy herein conferred upon or reserved to Lessor is intended to be exclusive of any other right or remedy, but is intended to be in addition to any right or remedy given hereunder, or now or hereafter existing at law or in equity or by statute.

Section 6.11 Successors in Interest

This lease shall be binding upon and inure to the benefit of the respective heirs, successors and assigns of the parties hereto.

Section 6.12 Applicable Law and Forum

This lease and the respective rights and obligations of the parties shall be construed and interpreted in accordance with the laws of the State of Alaska. Any civil action concerning this lease shall be brought in an appropriate Alaska State Court in the Third Judicial District.

Section 6.13 Recordation of Lease



