

**CITY OF WASILLA
ORDINANCE SERIAL NO. 02-50**

AN ORDINANCE OF THE WASILLA CITY COUNCIL AUTHORIZING THE CITY OF WASILLA TO ENTER INTO A PUBLIC PURPOSE LEASE OF 816 SQUARE FEET OF AVAILABLE OFFICE SPACE LOCATED IN CITY HALL TO MAT-SU COMMUNITY TRANSIT (MASCOT).

WHEREAS, MASCOT wishes to lease 816 square feet of office space from the city; and

WHEREAS, the \$900/month agreed lease rate exceeds the annual rental value of 8 percent as specified in WMC 5.32.110 (A) (1); and

WHEREAS, MASCOT is a 501(c) (3) not-for-profit corporation; and

WHEREAS, the lease is appropriate because MASCOT provides a public service to the citizens of Wasilla.

BE IT ENACTED:

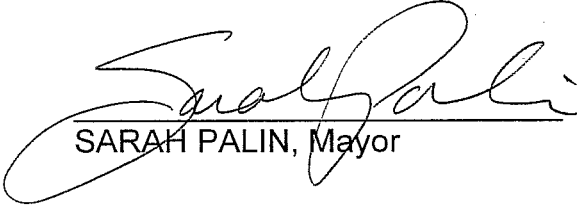
- * **Section 1. Classification.** This is a non-code ordinance.
- * **Section 2. Purpose.** To lease 816 square feet of finished office space located at Wasilla City Hall.
- * **Section 3. Enactment.** The City Council authorizes the Mayor to negotiate and execute a lease of 816 square feet of unfinished office space to include, but not limited to, the following conditions:
 1. Term: 1 year, with two renewable terms at the sole option of the city.
 2. Rents: \$900 per month with a \$1,000 security deposit to include all utilities, except telephones.

3. Maintenance: The tenant shall, at its sole expense, maintain and repair in a timely manner all interior portions of the leased space. The city, at its sole expense shall maintain all exterior portions of the leased space, including landscaped areas, sidewalks, parking lots, and driveways, septic maintenance and snow removal.

4. Use: The lease premises shall be used and occupied only for a business office.

* **Section 4. Effective date.** This ordinance shall take effect upon adoption by the Wasilla City Council.

ADOPTED by the Wasilla City Council on August 26, 2002.


SARAH PALIN, Mayor

ATTEST:



KRISTIE L. SMITHERS, CMC
City Clerk

[SEAL]



CITY OF WASILLA

**290 E. HERNING AVE.
WASILLA, AK 99654-7091
PHONE: (907) 373-9090
FAX: (907) 373-9092**

TO: Wasilla City Council
THRU: Mayor Sarah Palin *SP*
FROM: Tim Krug, City Planner *TK*
Jill Carricaburu, Planning Clerk
DATE: August 5, 2002

SUBJECT: Lease of City Hall Office Space by MASCOT

SUMMARY:

Mat-Su Community Transit (MASCOT) has requested to enter into a public purpose lease of 816 square feet of available office space locating in City Hall. The City will receive revenue from the lease of office space. MASCOT provides a public service to the citizens of Wasilla and can utilize vacant space. Wasilla Planning Commission approval is anticipated and forthcoming in your next packet for Public Hearing on August 26, 2002.

FISCAL IMPACT: N/A
Account No.: N/A

RECOMMENDED ACTION: *— Please discuss —*

Approval of Ordinance Serial Number 02-50.

ATTACHMENTS:

- Draft Ordinance 02-50
- PCM 02-07
- MASCOT Letter of Request
- Lease Agreement (13 pp)
- Comp Sheet



	Approved	Denied
Action taken	X	
Other:		
Date of Commission Action:	8/13/02	
Verified by:	JSC	

WASILLA CITY PLANNING COMMISSION

PCM No. 02-07

TITLE: Lease of City Hall Office Space by MASCOT

MEETING DATE: August 13, 2002

REQUESTED BY: Public Works

PREPARED BY: Tim Krug, City Planner
Jill Carricaburu, Planning Clerk

DATE PREPARED: 8/02/02

SUMMARY STATEMENT:

Mat-Su Community Transit (MASCOT) has requested to lease 816 square feet of available office space at City Hall for a period of one year with option to extend if necessary.

STAFF RECOMMENDED MOTION:

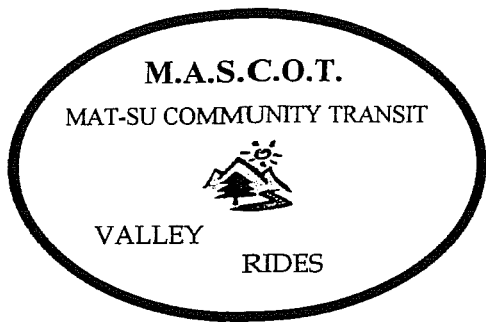
WPC approves the leasing of 816 square feet of vacant finished office space within City Hall subject to attached lease agreement by MASCOT.

The Planning Commission finds that:

- WMC 5.32.060(B) requires council approval by ordinance after consideration of the recommendations of the planning commission.
- MASCOT's use of the vacant office space is appropriate as MASCOT provides a public service to the citizens of Wasilla.
- The City of Wasilla will receive revenue from the lease of office space.
- The agreement is in accordance with WMC 5.32
- The \$900/month agreed lease rate exceeds the annual rental value of 8% as specified in 5.32.110(A) (1).

ATTACHMENTS:

MASCOT Letter of Request
Lease Agreement (13 pp)
Comp Sheet



M. A. S. C. O. T.
Mat-Su Community Transit

July 31, 2002

Mr. Don Shiesl
City of Wasilla
Department of Public Works
290 E. Herning Avenue
Wasilla, Alaska 99654

Dear Mr. Shiesl,

As per our conversation on July 30, 2002, I am writing to express Mat-Su Community Transit's (MASCOT) interest in renting 816 square feet of finished office space located at the Wasilla City Hall, Lot 19, Block 3, Wasilla Townsite Subdivision. The rent is agreed to be Nine Hundred dollars (\$900.00) per month with a \$1000.00 security deposit, with all of the utilities, with the exception of phone, included. If both the Wasilla Assembly and the MASCOT Board of Director's agree to the terms, MASCOT would like to move in on September 1, 2002.

Thank you for your time and effort regarding this matter. I look forward to our continued partnership in serving the citizens of Wasilla.

Very Sincerely,

A handwritten signature in cursive script, appearing to read "Karen Walton".

Karen Walton
Executive Director

COMMERCIAL LEASE FOR CITY OF WASILLA CITY HALL BUILDING

Date , 2002

1. **PARTIES:**

This Lease is made the _____ day of _____, 2002 by and between City of Wasilla, an Alaska municipal corporation, hereinafter referred to as "Landlord," and Mat-Su Community Transit (M.A.S.C.O.T.), an non-profit corporation, hereinafter referred to as "Tenant." Landlord, at its option, may from time to time, designate an agent ("Agent") to act on its behalf to receive rents and perform any and all obligations of Landlord under this Lease. Tenant shall be notified in writing in the event an agent is so designated and of any subsequent changes. Landlord and Tenant agree as follows:

2. **LEASED PREMISES**

Landlord, for and in consideration of first month's, last month's rents and security deposit, and subject to the terms, and conditions of this lease, does hereby lease to Tenant and Tenant hereby leases from Landlord the improved real estate located in the Wasilla City Hall Building, herein described as follows:

Approximately 816 square feet net rentable area of finished office space, located as shown on Exhibit _____, within the building known as City of Wasilla City Hall, described as Lot 19, Block 3, Wasilla Townsite Subdivision, with street address of 290 E. Herning Avenue hereinafter referred to as "Leased Premises."

Tenant, upon paying the rents, and performing all of the terms on its part to be preformed, shall peacefully and quietly enjoy the leased premises subject to the terms of this lease and to any deed of trust or mortgage to which this lease is subordinated.

3. **TERM:**

3.1 Term. The initial term of this lease is for 1 year period.

3.2 Lease Commencement & Completion Date: The term of this lease shall commence on _____, 2002 and expire on _____, 2003.

3.3 Renewal Option. This Lease Agreement may be renewed for two (2) additional yearly renewal terms at the sole option of the City. A letter of Agreement signed by the Tenant and the Landlord shall be executed on or before October 1st of the renewal year, should such a yearly option be exercised.

3.4 Holding Over: If the Tenant remains in possession of the Leased Premises or any part thereof after the expiration of the term without the express written consent of the Landlord, such occupancy shall be month to month at a rental of 150% of the last

monthly rental, plus all other charges payable hereunder, and upon all other terms of this lease.

4. RENTS:

4.1 Rent. Tenant shall pay to the Landlord as initial rent for Leased Premises \$900.00 per month, in advance, on the first day of each month. All rentals, unless and until otherwise directed in writing by the Landlord, shall be paid to Landlord at:

City of Wasilla
290 E. Herning Avenue
Wasilla, Alaska 99654

Or at such other place and / or to such other Agent as Landlord may designate from time to time in writing.

5. SECURITY DEPOSIT SURRENDER:

5.1 Amount. Tenant shall deposit with Landlord \$1,000.00 as security for Tenant's faithful performance under the terms of this lease. If Tenant is in default, Landlord can use security deposit, or portion thereof, to cure the default and/or as reimbursement for any and all damage sustained by Landlord as a result of Tenant's default. At Landlord's request, Tenant shall immediately pay to Landlord the sum necessary to replenish the security deposit to the original amount.

5.2 Tenant Obligations. At the expiration or termination of this lease and subject to Articles 9 and 13, Tenant shall peaceably and quietly deliver up to the Landlord, its successors or assigns, the Leased premises described in this lease in as clean and as good condition as when possession was tendered, normal wear and tear excepted. Tenant shall return all keys to Landlord on termination.

5.3 Landlord Obligations. If Tenant is not in default at the expiration or termination of this lease and is in compliance with Article 5.2 above, Landlord shall return the security deposit to Tenant. Landlord's obligation to Tenant is that of a debtor and not a trustee.

6. USE

6.1 Use. The Leased Premises shall be used and occupied only for a business office. Tenant shall not use or permit the Leased Premises or any part thereof to be used for any purpose in violation of any municipal, borough, state, federal, or other government law, regulation, ordinance or rule.

6.2 Landlord's Disclaimer. Landlord has not made any representation or warranty as to the suitability of the Leased Premises for the conduct of Tenant's business. Tenant shall not use or permit the use of the Leased Premises in any manner that will tend to create waste or a nuisance, or disturb other Tenants or neighbors, if any.

6.3 Tenant Insurance Obligation. In the event Tenant's use of the Leased Premises cause an increase in Landlord's fire or hazard insurance premiums, Tenant shall reimburse Landlord for the amount of such increase.

6.4 Hazardous and Toxic Substances. Tenant agrees that so long as this lease shall remain in effect, that the property described herein shall not be used in or for the generation, manufacture, storage, treatment, disposal, release or threatened release of any hazardous or toxic substances, as those terms are defined in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C. Section 9601, et seq. (1980), or as those terms are defined in any other applicable state or local laws or regulations. Tenant agrees to indemnify, defend against, and hold Landlord harmless from any claims and all claims and losses resulting from a breach of this provision of this Lease. This obligation to indemnify, defend, and hold harmless shall survive the payment of all rents and the termination of this Lease. Tenant agrees to not release any hazardous substances within the confines of this Building or any areas affecting the City Hall Building.

6.5 Parking, Common Areas and Facilities. All common areas and common facilities in or about the Leased Premises and the City Hall Building shall be subject to the exclusive control and management of the Landlord. The Landlord shall have the right to construct, maintain and operate lighting and other improvements on said areas; to change the area, level, location and arrangement for parking areas and other facilities and temporarily to close such areas to effect such changes; the Landlord shall permit the Tenant and its invitees, without additional charge, to have parking privileges on parity with those of other tenants in parking spaces adjacent to building. Tenant agrees to abide by any parking space assignments and to take such reasonable steps as may be necessary to insure that its invitees abide by such parking space assignments.

The drive along the south side of building is used as an alley and should be kept clear at all times. There is a paved parking lot available behind the building as well as single row of parking available along the north and east side of the property boundary however cars must not block the main entrance into the City Hall Building.

All common areas and facilities, which Tenant may be permitted to use and occupy, are to be used and occupied under a revocable license, which shall not be unreasonably revoked, and if any such license be revoked or if the amount of such areas be changed or diminished, Landlord shall not be subject to any liability nor shall Tenant be entitled to any compensation or diminution or abatement of rent nor shall revocation or diminution of such areas be deemed constructive or actual eviction.

7 CONSTRUCTION, MAINTENANCE, REPAIRS AND ALTERATIONS

7.1 Tenant's Obligations. Tenant has inspected the Leased Premises and accepts them in their present condition subject to Article 7.1 (a). Tenant at Tenant's expense, shall comply promptly with all applicable laws ordinances and regulations governing the use of Leased Premises.

Subject to Article 9, Tenant shall, at its sole expense, maintain and keep in good order and repair in a timely manner all interior portions of the Leased Premises, including but not limited to ceiling, walls, floors, electrical lighting and exterior doors and windows. The Tenant is responsible for cleaning windows of Leased Premises inside and outside. The Landlord shall at its sole expense maintain and keep in good order and repair all exterior portions of the Leased Premises including but not limited to the roof, foundations, structural components, heating, plumbing, and sewer lines. The Tenant is aware the Leased Premises is served by a S.T.E.P. system and the Tenant will not place items that will damage septic system down any drain.

7.2 Exterior Facilities. The Landlord shall maintain all landscaped areas, sidewalks, parking lots and driveways. Landlord shall pay for septic maintenance and snow removal.

7.3 Landlord Rights. If Tenant fails to perform Tenant's maintenance and repair obligations as outlined above, Landlord at its option, after ten (10) days notice to Tenant, may enter upon the Leased Premises and put Leased Premises in good order, condition, and repair. Tenant shall pay the cost of Landlord's repairs at the time of Tenant's next rental payment upon receipt of an invoice from Landlord.

In the event of emergencies, where in Landlord's judgment there exists a present or imminent danger of loss or damage to Leased Premises such as but not limited to, fire, flood, acts of God, or loss of heat, Landlord may immediately enter upon Leased Premises to stop or prevent waste, damage or loss to the Leased Premises.

7.4 Alterations and Additions. Without the prior written consent of Landlord for specific alterations, Tenant shall not make any alterations, improvements, additions, utility installations (including power panels) in, on or about the Leased Premises. Any such alterations, additions, and improvements consented to by Landlord shall be made at Tenant's expense. All work performed is to be completed in a good workmanlike manner and in conformance with all applicable government regulations, Uniform Building Codes and subject to I.C.B.O. inspections and a certified I.C.B.O. inspector's final approval. Tenant shall secure all government permits, approvals, inspections and final acceptance required in connection with such work, and shall hold Landlord harmless from all liability and liens resulting there from. Landlord's consent is not required, however for nonstructural alterations costing less than \$1,000.00 provided such alterations are in compliance with the above stated stipulations.

7.5 Improvements and Lease Termination. On termination Landlord may require Tenant to remove all or part of any alterations and restore the Leased Premises to its original condition. Unless Landlord requires their removal, all alterations, improvements, additions or fixtures, other than Tenant's trade fixtures, shall become the property of the Landlord and be surrendered with the Leased Premises. Lessee shall remove its sign upon termination of lease unless Landlord pays for sign box and lights.

8. INSURANCE, INDEMNITY:

8.1 Liability Insurance. Tenant at Tenant's sole expense, shall maintain bodily injury liability and property damage liability insurance in connection with the use and condition of the Leased Premises in the amount of at least \$1,000,000.00 for injury to or death of one person, \$2,000,000.00 for injury or death in any one accident or occurrence, and \$5,000,000.00 for property damage.

8.2 Fire and Extended Coverage. Landlord, at Landlord's sole expense subject to Article shall furnish and maintain fire and extended coverage insurance on Landlord's Property for the full insurable replacement value of the Leases Premises, together with insurance against vandalism and malicious mischief.

Tenant shall maintain at its own costs and expense, fire and extended coverage in an amount adequate to cover the cost of replacement of all decorations, improvements, fixtures and contents in the Leased Premises in the event of fire, vandalism, malicious mischief, or other casualty generally included in extended coverage policies.

8.3 Insurance Policies. Insurance purchased by Tenant shall be issued in the name of Tenant with Landlord named as additional insured and loss payee, and shall be with companies that are Alaska admitted carriers, rated A- or better in Best's Insurance Guide, and shall be licensed to do business in Alaska. Such Insurance may not be canceled or amended with respect to Landlord without ten (10) days written notice by certified or registered mail by the insurance company. In the event of payment of any loss covered by such policy, payment shall be made to tenant and Landlord as their interest may appear. This policy shall contain an express waiver of any right of subrogation by the insurance company against the Landlord. A copy of the original policy of all such insurance shall be delivered to Landlord by Tenant within ten (10) days of issuance of such policy by the insurance company. The minimum limits of any insurance coverage required herein shall not limit Tenant's liability as may be identified in this Lease.

If Tenant fails to provide the above described insurance or fails to provide evidence thereof, Landlord may order such insurance and charge the cost to Tenant.

8.4 Indemnity

8.4.1 Except for claims for injuries attributable to Landlord's sole negligence, Tenant shall indemnify, defend and hold harmless from suits, actions, damage, liability

and expenses in connection with loss of life, bodily or personal injury or property damage arising from or out of any occurrence in, upon, or at, or from the Leased Premises, or the occupancy wholly or in part by any act or omission of tenant, its agents, contractors, employees, servants, invitees, licensees or concessionaries, including the sidewalks and common areas and facilities in or about the building.

8.4.2 Tenant shall store its property in and shall occupy the Leased Premises at its own risk, and releases the Landlord, to the full extent permitted by law, from all claims of every kind resulting in loss of life, personal or bodily injury or property damage except to the extent Landlord is solely negligent.

8.4.3 Landlord shall not be responsible for/or liable at any time for any loss or damage to tenant's equipment, fixtures or other personal property of Tenant's business except to the extent attributable to Landlord's sole negligence.

8.4.4 Landlord shall not be responsible or liable to Tenant or to those claiming by through or under Tenant for any loss or damage to either the person or property of Tenant that may be occasioned by or through the acts or omissions of persons occupying adjacent, connecting, or adjoining Leased Premises.

8.4.5 Tenant shall give prompt notice to Landlord in case of fire or accidents in the Leased Premises or in the building of which the Leased Premises are a part of or defects herein, or in any fixture or equipment.

8.4.6 Discharge of Liens By Tenant. If at any time during the Tenancy any liens of mechanics, matrialmen, architects, employees or other persons entitled to or asserting liens under any claim of or statute, or any chattel mortgages, conditional bills of sale, or other consensual liens shall be filed against the Leased Premises or any part of the Leased Premises, the Tenant shall at its own cost and expense, immediately obtain the discharge of those liens by payment, bond, or otherwise, as provided by law. Nothing herein contained shall in any way prejudice the rights of the Tenant to contest the final judgment or decree of any lien. The Tenant shall also defend for the Landlord, at the Tenant's sole cost and expense, any action, suit, or proceeding which may be brought on or for the enforcement of any such lien, chattel mortgage or conditional bill of sale, and shall pay any damages, satisfy and discharge any judgment entered in such an action, suit or proceeding and otherwise save and hold harmless the Landlord from any liability, claim or damage resulting therefrom. If the Tenant defaults in its obligations as set forth above in regard to obtaining the discharge of any such lien, chattel mortgage or conditional bill of sale, the Landlord without further notice, may procure and discharge that lien by bond, payment or otherwise and all cost and expenses which the Landlord may incur in obtaining the discharge of that lien or judgment shall be paid by the Tenant to the Landlord as additional rent in accordance with the provisions of this lease.

9. DAMAGE OR DESTRUCTION – REPAIRS AND RESTORATION:

9.1 Destruction. If the Leased Premises are totally destroyed or suffer damage amounting to 75% or more of the value of the improvements on the Leased Premises, this lease shall terminate automatically as of the date of such occurrence. Tenant, however, shall remain liable for all sums owed at the date of such occurrence.

9.2 Damage. If the Leased Premises suffer damage from casualties or act of God amounting less than 75% of the value of the improvements on the Leased Premises, the lease will continue in full effect unless Tenant requests in writing, within 30 days following the destruction, that the Landlord make an election as described in this section. Landlord shall elect, within 15 days of Tenant's request, to have:

(a) The Landlord restore the Leased Premises to substantially their condition immediately proceeding such damage or

(b) The lease terminate as of the date of damage.

If Landlord elects to restore the Leased Premises, the Landlord shall reduce the rent according to the degree of damage from the date of damage until restoration is, in Landlord's opinion, substantially complete.

10. TAXES

10.1 Payment by Landlord. Landlord will pay to the appropriate governmental body all real property taxes and assessments.

10.2 Personal Property Tax. Tenant shall pay, or cause to be paid, before delinquent, any and all taxes levied and assessed and/or which become payable during the Lease Term hereof upon all or any part of Tenant's leasehold improvements, equipment, furniture, fixtures and other personal property located in the Leased Premises. In the event any or all of the Tenant's leasehold improvements, equipment, furniture, fixtures and other property shall be assessed and taxed with real property, Tenant shall pay to the Landlord its share of such taxes within ten (10) days after delivery to Tenant by Landlord of a statement in writing setting forth the amount of such taxes applicable to Tenant's property.

10.3 Licenses and Taxes. Tenant shall be liable for and shall pay throughout the Lease term, all license and excise fees and occupational taxes covering the business conducted on the Leased Premises.

11. UTILITIES

11.1 Landlord Tenant Obligations. Tenant shall pay all charges and deposits for telephone. Landlord shall pay for all other utilities and normal maintenance..

12. ASSIGNMENT AND SUBLETTING

12.1 Landlord's Consent Required. Tenant shall not voluntarily or by operation of law assign, sublet, or otherwise transfer or encumber any part of Tenant's interest in this lease or in the Leased Premises without Landlord's prior consent. Any attempted assignment, transfer, encumbrance or subletting without such consent shall be void. In the event Tenant is a corporation, a transfer of 50% or more of stock shall be considered an assignment for purposes of this paragraph.

12.2 No Release of Tenant. Even if Landlord consents to an assignment of sublease, Tenant shall remain primarily responsible to pay rent and to perform all of Tenant's other obligations under this lease. Consent to one assignment or subletting shall not be deemed consent to any subsequent assignment or subletting.

13. DEFAULTS; REMEDIES:

13.1 Defaults. The occurrence of any one or more of the following events shall constitute a material default and breach of this lease by Tenant:

- a) Abandonment of the Leased Premises.
- b) Failure by Tenant to make any payment required when due as described in this lease agreement.
- c) Failure by Tenant to observe or perform any of the conditions or provisions of this lease, other than making of any payment, where such failure shall continue for a period of fifteen (15) days after written notice from Landlord.
- d) (i) The making by Tenant of any general assignment or general arrangement for the benefit of creditors;
(ii) The filing by or against Tenant of a petition in bankruptcy, including reorganization or arrangement, unless in the case of a petition filing against Tenant, the same is dismissed within thirty (30) days.
(iii) The appointments of a trustee or receiver to take possession of substantially all of tenant's assets located at the Leased premises or of Tenant's interest in this lease.

13.2 Remedies. In the event of any such material default or breach, Landlord, at any time, with or without notice or demand, without waiving or limiting any other right or remedy may choose, at its sole discretion, any one or more of the following.

- a) Immediately re-enter and remove all persons and personal property from the Leased Premises. At Landlord's option Landlord may arrange for storage of the property at Tenant's expense and without liability to Landlord.
- b) Rent the Leased Premises or any part thereof for the account of Tenant upon

such terms and conditions and for such period as Landlord may consider advisable, either with or without any equipment or fixtures that may be situated in or on the Leased Premises. Landlord shall apply the rents received from re-renting, including attorney's fees and any real estate commission actually paid. Landlord shall apply any remaining rent toward payment of all sums due or to become due to Landlord hereunder. Landlord shall retain any remaining portion of the rent.

If Landlord fails to realize an amount sufficient to pay the rent due this lease from re-renting, Tenant shall make monthly payments to Landlord for any deficiency.

Landlord's re-entry shall not terminate this lease unless Landlord gives written notice of an intention to terminate the Tenant.

c) Collect by legal proceedings or otherwise each installment of rent or other sum as they become due.

d) Enforce by legal proceedings or otherwise any condition or term of this lease.

e) Terminate this lease. In the event of termination, Tenant shall surrender possession of said Leased Premises immediately and shall pay Landlord all damages Landlord may incur by reason of Tenant's default, including the cost of recovering possession of the Leased Premises and the excess, if any of the amount of rent and charged due under this lease for the remainder of the term over the then reasonable rental value of the Leased Premises for the remainder of the term.

f) Remedies Cumulative. Each remedy provided in this lease is distinct and cumulative to all other rights or remedies under this lease or afforded by law or equity, and maybe exercised concurrently, independently, or successively, in any order whatsoever.

13.3 Default by Landlord. Landlord shall not be in default unless Landlord fails to perform its obligations within thirty (30) days after written notice by the Tenant specifying wherein Landlord has failed to perform. If the nature of Landlord's obligation, however, is such that more than thirty (30) days are required for performance, Landlord shall not be in default if Landlord commences performance within thirty (30) days of Tenant's written notice and thereafter completes Landlord's performance within reasonable time. In the event Landlord fails to perform any obligation under the terms of this lease. Tenant shall have any remedy available to it under any applicable law.

14. CONDEMNATION:

If all or part of the Leased premises are taken under power of eminent domain, or sold under threat of the exercise of said power, this lease shall terminate as to the part so taken as of the date that either the condemning authority takes possession or the property is sold. If any of the floor area of the improvements on the Leased Premises is taken by the condemnation, or sold under threat of the exercise of said power, Tenant may by

written notice, within ten (10) days after notice of such taking (or absent such notice, within ten (10) days after either the condemning authority takes possession or the sale), terminate this lease. If Tenant does not so terminate, this lease shall remain in effect as to the portion of the Leased Premises remaining except that the rent shall be reduced either in proportion that the floor area taken bears the original total area or in a reasonable amount to be determined by the Landlord.

Landlord shall be entitled to any award for taking of all or part of the Leased Premises under the power of eminent domain (including any award for diminution of value of the leasehold, severance damages and the like) and/or any proceeds from a sale made under threat of the exercise of such power. Tenant shall be entitled only to any award for loss of or damage to Tenant's trade fixtures and removable personal property and moving expenses or any portion of the condemnation award attributable to relocation cost or interruption / loss of its leasehold rights.

15. GENERAL PROVISIONS

15.1 Estoppel Certificate and Financial Statements. Within ten (10) days after written request by Landlord, Tenant shall execute, acknowledge and deliver to Landlord, financial statements showing the utility and other cost attributable solely to the Leased Premises and a statement in writing (i) certifying that this lease is unmodified and in full force and effect (or, if modified, stating the nature of such modification and certifying that this lease as so modified, is in full force and effect) and the date to which the rent and other charges are paid in advance, if any and (ii) either acknowledge that Tenant is not aware of any defaults on the part of Landlord hereunder, or specifying such defaults if any are claimed.

Tenant's failure to provide these statements shall be conclusive evidence (i) that this lease is in full force and effect, without modification except as may be represented by Landlord, (ii) that no defaults in Landlord's performance exist, and (iii) that Tenant has not paid more than one month's rent in advance.

15.2 Landlord's Liability. Landlord may assign this lease at any time without notification to or permission of Tenant. Such assignment shall terminate Landlord's obligation under this lease provided that the assignment required the assignee to be responsible for all provisions of this lease applicable to the Landlord.

15.3 Interest on past due obligations. Except as expressly provided, any amount not paid by the Tenant when due shall bear interest at eighteen percent (18%) per year from the date due; however, if 18% exceeds the applicable legal maximum, the legal maximum shall apply.

15.4 Time is of the Essence. Time is of the essence in the performance of this lease.

15.5 Prior Agreements. This lease contains all agreements of the parties with respect to any matter mentioned, and may be modified only by writing signed by the parties in interest at the time of modification. The Tenant acknowledges that Landlord and its agents have made no representation or promises with respect to the Leased Premises except as herein expressly set forth. Nothing herein shall be construed as creating any type of partnership or joint venture relationship between Landlord and the Tenant.

15.6 Recording. Tenant shall not record this lease without Landlord's prior written consent. At the request of Landlord, the parties may execute and deliver a Memorandum of Lease, which Landlord at its option may record.

15.7 Binding Effect. Subject to any provisions restricting assignment or subletting, this lease shall bind the parties, their personal representatives, successors and assigns.

15.8 Subordination. This lease, at Landlord's option, shall be subordinate to any ground lease, mortgage, deed of trust, or other security arrangement now or later placed upon the real property of which the Leased Premises are a part and to any and all advances made on the security thereof and to all renewals, modifications, consolidations, replacements and extensions thereof. Notwithstanding such subordination, Tenant's right to quiet possession of the Leased Premises shall not be disturbed if Tenant is not in default. Tenant agrees to execute all documents required to effectuate such subordination.

15.9 Landlord's Access. Landlord shall have the right to enter the Leased Premises at reasonable times for the purpose of inspecting, showing to prospective tenants, purchasers or lenders, or making such alterations, repairs, improvements, or additions, to the Leased Premises as Landlord may deem necessary or desirable. Landlord may at any time place on or about the Leased Premises "For Sale" signs and may during the last ninety days of the term place on or about the Leased Premises "For Lease" signs.

15.10 Mediation and Resolution of Disputes. The parties agree that any claim or dispute arising from or related to this agreement shall be settled by mediation, and if necessary, legally binding arbitration applying Alaska law in accordance with the guidelines of the American Arbitration Association. Judgment upon arbitration award may be entered in court in Palmer, Third Judicial District, State of Alaska.

15.11 Addresses, Notices. The initial addresses of the parties are

Landlord: City of Wasilla
290 E. Herning Avenue
Wasilla Alaska 99654

Tenant: M.A.S.C.O.T.
1301 Century Circle, Suite A

Wasilla, Alaska 99654

Each Party will notify the other promptly of any changes in address. Any notice required or permitted shall be in writing and may be served personally or by certified mail addressed to the most recent address of the party being served. If sent by certified mail, notice shall be effective when received or when returned unclaimed or rejected.

15.12 Cost and Attorney's Fees. If by reason of any default or breach of any term or condition of this agreement, attorney's fees or other related costs are incurred, the losing party agrees to pay the actual reasonable costs and attorney's fees incurred by the prevailing party. Venue in any such action shall be in Palmer, Third Judicial District, State of Alaska.

15.13 Authority of Signers. The persons signing this agreement on behalf of the Landlord and Tenant agree and warrant that they have full authority to execute this agreement on behalf of the respective parties.

15.14 Waiver. One or more waivers of this lease by either party shall not be construed as a waiver of subsequent breach of the same term or condition. The consent to or approval of any act by the other party of a nature requiring consent or approval shall not be deemed to waive consent to or approval of any subsequent or similar act.

15.15 Severability. If any clause or term of this agreement shall be deemed invalid by any court of law, the enforceability of the remaining clauses and terms of this agreement shall be unaffected.

15.16 Applicable Law. This agreement shall be governed by and construed in accordance with the law of the State of Alaska.

15.17 Lease Not Offer. The submission of this lease to Tenant shall not be construed as an offer, nor shall Tenant have any rights with respect thereto unless and until Landlord shall execute a copy of this lease and deliver the same to Tenant.

15.18 Signs. Within sixty (60) days after opening for business Tenant must have permanent signage on the building in an area approved by the Landlord. Tenant shall not place or suffer to be placed on the exterior walls other than designated area of Leased Premises or upon the roof or any exterior door or wall or on the exterior or interior of any window thereof any awning, canopy, marquee, advertising matter, decoration, letter or other thing of any kind (exclusive of the signs which may be provided for in the original construction or improvement plans and specifications approved by Landlord or Tenant hereunder, and which conform to the Landlord's Sign Criteria) without prior written consent of the Landlord. Landlord hereby reserves the exclusive right to use for any purpose whatsoever the roof and exterior walls of the Leased Premises. In the event Tenant shall install any sign that does not meet the Landlord's Sign Criteria, Landlord shall have the right and authority without liability to Tenant to enter upon the Leased Premises, remove and store the subjects sign and repair all damage caused by removal of

the sign. All cost and expense incurred by Landlord shall be immediately paid by Tenant as additional rent. The Landlord reserves the right to remove the Tenant's sign during any period when Landlord repairs, restores, constructs or renovates the Leased Premises or the Building of which the Leased Premises is a part.

Dated _____

Signed _____
TENANT

Dated _____

Signed _____
LANDLORD

RPR125 1

03

BUILDING FILE INQUIRY

Date 7/30/02 Time 08:17:13

Parcel #* 1066B03L0SR Sheet #* 1 of 1 WASILLA TWNST

Audit 1066B03L019

Business Name WASILLA CITY HALL

Building Use CITY GOVERNMENT

Of Living Units

Sq.Ft. Main Floor Area 15420

Construction Year 0000 Eff Yr 0000

Design OTHER

Type

Basement NONE

Physical Condition STANDARD

Roll 1 Land Imprv Total
2002 114000 1927500 2041500

Sheet Appraised Value

2003

10/30/01

Under Ground Tanks Oil Gas Diesel

Foundation UK UNKNOWN

Exit Backward Forward

F01	F02	F03	F04	F05	F06	F07	F08	F09	F10	F11	F12
F13	F14	F15	F16	F17	F18	F19	F20	F21	F22	F23	F24

Help Prev Page Next Page

Enter Close Session

F01 Send Virtual Key



0 = A

LEASE SPACE 816 ÷
 ENTIRE BLDG 15,420 =
 % 0.05*+
 % 0.05x
 TOTAL VALUE 2,041,500 =
 % VALUE 102,075.00*+
 102,075.00x
 % 0.08=
 /YEAR 8,166.00*+
 8,166.00 ÷
 MONTHS 12 =
 MIN. MONTHLY 680.50*+