

Mayor Steven J. Carrington
 Deputy Mayor Pamela Melin
 Council Member Richard W. Best
 Council Member Sabrena Combs
 Council Member Brian Daniels
 Council Member Jill Valerius

City Manager John Moosey
 City Clerk Shelly M. Acteson, CMC
 City Attorney Sarah Heath, Esq.

City of Palmer, Alaska
Regular City Council Meeting
January 25, 2022, at 6:00 PM
 City Council Chambers
 231 W. Evergreen Avenue, Palmer
www.palmerak.org

AGENDA

A. CALL TO ORDER

B. ROLL CALL

C. PLEDGE OF ALLEGIANCE

D. APPROVAL OF AGENDA

- 1. Approval of Consent Agenda
 - a) **Action Memorandum No. 22-007:** To Authorize the City Manager to Execute a New Lease with Birdhouse Holdings, LLC on Helipad Lease Lot's 1 and 2 Block 3, Palmer Municipal Airport for the Purpose of Constructing a New Aircraft Hangar Page 03
 - b) **Action Memorandum No. 22-008:** Authorize the City Manager to Purchase One TR310 Case Compact Track Loader and Attachments under the Governmental and Proprietary Procurements Section of Palmer Municipal Code 3.21.230 by attaching to the Sourcewell Contract#32119-CNH awarded to CNH Industrial America LLC Page 51
- 2. Approval of Minutes of Previous Meetings
 - a) December 14, 2021, Regular Meeting Page 55

E. COMMUNICATIONS AND APPEARANCE REQUESTS

F. REPORTS

- 1. City Manager's Report
- 2. Mayor's Report Page 63
- 3. City Clerk's Report
- 4. City Attorney's Report

G. OATH OF OFFICE NEW COUNCIL MEMBER

H. AUDIENCE PARTICIPATION

I. PUBLIC HEARINGS

J. UNFINISHED BUSINESS

K. NEW BUSINESS

- 1. **Action Memorandum No. 22-009:** Approving a Council Community Grant to United Way of Mat-Su Page 65
- 2. **Action Memorandum No. 22-010:** Approving a Council Community Grant to Who let the Girls Out Page 73
- 3. **Action Memorandum No. 22-011:** Authorizing the City Manager to Negotiate and Execute a Three-year Brand License Agreement with Matanuska Telephone Association for the MTA Events Center Page 83

L. RECORD OF ITEMS PLACED ON THE TABLE

M. AUDIENCE PARTICIPATION

N. EXECUTIVE SESSION

O. COUNCIL MEMBER COMMENTS

P. ADJOURNMENT

Tentative Future Palmer City Council Meetings

Meeting Date	Meeting Type	Time	Notes
Feb 08	Regular	6pm	
Feb 22	Regular	6pm	
Mar 08	Regular	6pm	
Mar 22	Regular	6pm	
Apr 12	Regular	6pm	
Apr 26	Regular	6pm	
May 10	Regular	6pm	
May 24	Regular	6pm	
Jun 14	Regular	6pm	
Jun 28	Regular	6pm	

**City of Palmer
Action Memorandum No. 22-007**

Subject: To Authorize the City Manager to Execute a New Lease Agreement with Birdhouse Holdings, LLC on Helipad Lease Lot's 1 and 2 Block 3, Palmer Municipal Airport for the Purpose of Constructing a New Aircraft Hangar.

Agenda of: January 25, 2022

Council Action: **Approved** **Amended:** _____
 Defeated

Originator Information:

Originator: Frank J. Kelly, Airport Superintendent

Department Review:

Route to:	Department Director:	Signature:	Date:
_____	Community Development	_____	_____
_____	Finance	_____	_____
_____	Fire	_____	_____
_____	Police	_____	_____
_____	Public Works	_____	_____

Certification of Funds:

Total amount of funds listed in this legislation: \$ **3,723.98**

This legislation (√):


- Creates revenue in the amount of: \$ 3,723.98
- Creates expenditure in the amount of: \$ _____
- Creates a saving in the amount of: \$ _____
- Has no fiscal impact

Funds are (√):

- Budgeted Line item(s): _____
- Not budgeted 03-00-00-3431 Land Leases \$3,723.98

Director of Finance Signature: 

Approved for Presentation By:

	Signature:	Remarks:
City Manager	<u></u>	_____
City Attorney	_____	_____
City Clerk	_____	_____

Attachment(s):

1. Leasing Application Birdhouse Holdings, LLC
2. Draft Lease Agreement PMA No. 22-002 & (Exhibit A)
3. Draft Memorandum of Lease PMA No. 22-002
4. Draft City Manager Waiver PMC Section 13.08.030 (Exhibit B)
5. Preliminary Plot Plan
6. Identity Documents Birdhouse Holdings, LLC

Summary Statement/Background:

Cash and Stacia Joyce owners of Birdhouse Holdings, LLC (A Real Estate Holding Co.) would like to construct a new hangar off of the new John S. Lee Helipad Apron at the Palmer Municipal Airport on Helipad lease lots 1 and 2 for their other business, "Neacola Mountain Air Service, LLC" which provides helicopter pilot training and air taxi services.

The two subject helipad lease lots are too far away from City services to cost effectively connect to City sewer and water services, so they have agreed to provide ADEC approved well and septic systems to supply the hangar as part of this proposal. ADEC requires a minimum of 40,000 square feet, so helipad lease lot 1 (25,650 sq. ft.) will provide space for the well and the hangar and helipad lease lot 2 (25,650 sq. ft.) will provide space for the septic system. As this area is also a valuable airport snow dump for the south ramp, the airport will utilize the majority of helipad lease lot 2 as a snow dump area (18,150 sq. ft.) for 8 months of the year and provide the Lessee a leasing discount at the same leasing rate.

It is anticipated that Neacola Mountain Air Services, LLC will become a wonderful addition to the current operations at PAQ and will help to utilize our new John S. Lee Helipad area more fully.

Administration's Recommendation:

Approve Action Memorandum No. 22-007.



PALMER Alaska

WARREN "BUD" WOODS PALMER MUNICIPAL AIRPORT LAND LEASE APPLICATION

Applicants Name: Neacola Mtn Air, LLC

Lessee Name: Birdhouse Holdings, LLC "Cash and Stacia Joyce "
(If different than Applicant)

Address: 6200 E Beechcraft Rd, Wasilla AK 99654

Phone No.: (1) 907-350-9000 (2) 907-350-9000

E Mail Address: iv@neacolamtnair.com

Leasing Entity: Individual Sole Proprietorship Partnership
 Corporation LLC Government Other

- Business entities other than Sole Proprietorships must provide a list of all partners, shareholders, members, etc. of the entity, Titles or Office held and the percentage of ownership. Typically, these persons will each be required to sign as guarantors of the lease, if granted.

Proposed Use of the Leased Area: Helicopter Flight Instruction, Air Taxi (Tours etc...)

Airport Lease Lot Requested: HL39 **Second Choice:** _____

SITE DEVELOPMENT:

Cost Estimate of Proposed Site Improvements: \$ 65,000

Description of Site Improvements: Earth moving, septic, well, pave, site grading or removal of frost
(Include size of gravel / asphalt paving area) susceptible material, lift and level grade, and cap
with non-frost susceptible (D-1), pave 10,000 sq feet

Cost Estimate of Proposed Building Improvements: \$ 420,000

Description of Building Improvements: Slab building, electrical, mechanical, plumbing, insulation
(Include size of hangar and type of structure) 70' X 80', 23'2" Peak, and R&M pre-fab steel
hangar building.

Date of Plans & Specifications Submittal: June 2021

Date of Start of Construction: September 2022

Date of Completion: November 2023

- See Section Article II – Improvements, Article III – Use of the Leased Premises, and Article IV – Taxes, Indemnification & Insurance of PMA Lease Agreement
- Length of Lease Term will be determined by Capital Investment into improvements of proposed Lease Lot.

SITE PLAN: (To include the Following)

- Drawn to Scale
- Vehicle Access and Parking Areas
- Gravel / Paved Areas
- Aircraft Access / Parking / Tie Downs
- Location of Utilities on the Leased Lot
- Snow Storage Area(s)
- Location & Dimension of Building(s) to include Height & Type of Construction

ACKNOWLEDGEMENTS:

- Applicant(s) and Lessee agree to abide by all applicable federal, state and municipal regulations.
- Applicant(s) and Lessee agree to abide by PMA Hangar Policy (Attached)
- Applicant(s) and Lessee understand that there is a \$500 Lease Application fee and that said fee is non-refundable if Lease is approved by the City of Palmer and not executed by Lessee within six (6) months of approval date. Said fee is refundable if proposed lease is not approved or rejected by the City of Palmer.
- Application fee will be applied to future lease payments.

Applicant:

Stacia Joyce

12-22-21

Signature

Date

Stacia Joyce

Printed Name



City of Palmer
231 West Evergreen Avenue
Palmer, AK 99645
907-745-3271

**PALMER MUNICIPAL AIRPORT
LEASE AGREEMENT No. 22-002**

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DRAFT



City of Palmer

**231 West Evergreen Avenue
Palmer, AK 99645
907-745-3271**

**PALMER MUNICIPAL AIRPORT
LEASE AGREEMENT No. 22-002**

This LEASE AGREEMENT is made and entered into this ____ day of _____ 2022, by and between the City of Palmer, a municipal corporation organized and existing under its charter and the laws of the State of Alaska, hereinafter referred to as the "Lessor", and Birdhouse Holdings, LLC, hereinafter referred to as the "Lessee".

This lease agreement is not effective unless it is accompanied by signed and attached Exhibit A providing specific information for the following sections: 1., 1A, 1.1B, 1.2A, 1.2B, 1.3A, 2.1, 2.2, 2.7 and 2.8.

In consideration of the mutual covenants and promises contained herein, the parties agree as follows:

ARTICLE I - PREMISES, TERM AND RENTALS

Section 1.1 Premises and Purpose

- A. Lessor does hereby lease, demise and let unto Lessee, and Lessee does hereby lease from Lessor, real property more particularly described as a parcel of land located within Tract B, Palmer Municipal Airport recorded as Plat No. 2006-15 in the Palmer Recording District, Third Judicial District, State of Alaska and further described as follows:

Palmer Municipal Airport, Block 3, Helipad Lease Lot(s) 1 and 2
Containing 0.588 acres each or 51,300 square feet combined, more or less
A.K.A. NHN Outer Springer Loop, Palmer, AK. 99645

See Attached "Exhibit A" **TEMPORARY EXHIBIT**

Parcel may be subject to additional easements and/or encumbrances not shown or depicted hereon.

- B. Lessee shall use the Premises for the following Aeronautical uses only, and for no other: Helicopter Flight Instruction, Air Taxi Operations, Aircraft Storage, Aircraft Maintenance, and other approved aeronautical activities.
- C. Any use of the premises for Non-Aeronautical activity is strictly prohibited unless an approved amendment to this lease is adopted and fair market value rates for Non-aeronautical areas are applied.

Section 1.2 Term and Renewal

- A. The term of the lease shall be for a period of 25 years, commencing on the 1st day of June 2022 (the "Commencement Date") and ending on the 31st day of May of 2048, subject to the terms of provisions hereof.
- B. Provided Lessee fully and faithfully performs all of the covenants and conditions contained herein for the term of the Lease, Lessor may approve an additional period of 20 years at

the expiration of this Lease so that the total number of years available to Lessee is 45 years. As with the initial term at the start of and continuing through the renewal period,

1. The rental rate will continue to be subject to changes as provided in Section 1.4 "Rent Adjustment,";
 2. The renewal insurance provision as provided in Section 4.3 will apply along with any other changes made in accordance with Section 4.3;
 3. The Lease will be subject to such other and further changes as are deemed necessary by Lessor for the reasonable protection of Lessor;
 4. In addition, if this Lease is renewed, it shall be subject to all provisions of the Palmer Municipal Code and to the City's Regulations that pertain to the Airport in effect at the time of the renewal or amended thereafter. Including but not limited to the current airport regulations.
- C. To renew this Lease, Lessee must comply strictly with the following:
1. Not more than 24 months nor less than 12 months before the end of the term of this Lease, the Lessee must indicate in a signed writing delivered to the Palmer City Manager, the Lessee's request to exercise the option to renew this Lease.
 2. If Lessee fails to notify Lessor within said time period, this Lease shall be deemed terminated at the scheduled expiration date.

Section 1.3 Rent

- A. Lessee shall pay to the Lessor as rent during the term hereof the sum \$3,723.98 per year, payable annually in advance without demand, beginning July 1, 2022, and continuing on the same day of each and every year thereafter during the term of the lease at the office of the Lessor set forth in Section 7.8 or at such other place as the Lessor may designate in writing. (Rent is derived as follows: (Helipad Lease Lot 1 at 25,650 square feet and Helipad Lease Lot 2 at 25,650 square feet X \$0.095 cents per square foot = \$4,873.50, less the Airport Snow Dump area located on Helipad Lease Lot 2 of 18,150 X \$0.95 cents per square foot = \$1,724.25 ÷ 12 months = \$143.69 X 8 months = \$1,149.52)
1. Annual rent reduction shall be from October thru May each year and continuing throughout the life of the lease. Annual rent reduction will be at an equal square foot price as the lease rate charged to Lessee and is subject to the same rent adjustment at five (5) year intervals.
 2. In addition, Lessee shall pay the prorated amount from execution of lease to June 30, 2022 for \$306.00 (\$10.20 X 30 days), Less the \$500.00 lease application fee received on December 23, 2021 to be applied to the prorated portion due June 1, 2022 and the first annual payment as follows: \$306.00 - \$500 = \$194.00. \$3,723.98 - \$194.00 = \$3,529.98
 3. Failure to pay rent by the thirtieth day after the due date shall obligate the Lessee to pay a late charge of \$100.00, which sum is agreed to a reasonable estimate of the Lessor's damages for late rental payments and shall not be construed as a penalty or a limitation on Lessor's remedies.
 4. This late charge is in addition to a 12 percent daily interest rate.
(0.12% / 365 = .00033 X \$3,723.98 = \$1.23 cents per day)
- B. All rent shall be payable in current legal tender of the United States. Payment may be tendered by check, but payment shall not be made in fact until such check has been honored by the drawee bank. The tender of payment by check within the time provided shall be deemed sufficient to meet any due date only if the check is subsequently honored by the drawee bank and the Lessor subsequently receives the legal tender required by

this Lease. Any subsequent dishonor and non-receipt of rent payment shall constitute a default of this Lease.

- C. The extension of time for the payment of any installment of rent, or the acceptance by the Lessor of any money other than of the kind herein specified, shall not be a waiver of the right Lessor to insist on all other payments of rent to be made in the manner and at the time herein specified. The acceptance by the Lessor of a past due installment payment shall not waive the Lessor's right as to any other default or breach of the Lease.
- D. The rent herein specified shall be net to the Lessor and such payment shall not be subject to any abatement, deduction or off set (except as otherwise provided in this Lease).
- E. All taxes, charges, costs, expenses, utilities and assessments which the Lessee is required to pay hereunder, and all damages, costs and expenses which the Lessor may incur by reason of any default of the Lessee or failure on the Lessee'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 Lessee, 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

- A. It is the intent of the parties that the Palmer Municipal Airport be a self-sustaining facility and operate without any support from the general fund of the Lessor.
- B. The rent shall be subject to adjustment at five (5) year intervals to achieve fair market rent, the first adjustment date is five (5) years following the annual payment. The rent shall be adjusted as follows:
 - 1. Six (6) months prior to the termination of the initial five (5) year period and any subsequent five (5) year period, Lessor shall propose the rent for the next five (5) year period of the lease term and the parties hereto may, by mutual agreement, set the rent for the five (5) year period. The basis of the initial proposed new rent for the next five (5) year term will be the accumulated increase or decrease in the Consumer Price Index for All Urban Consumers (CPI-U): Selected areas, semiannual averages, all items index for the Anchorage, AK. Local area, based upon 2020 as a base year. Additional factors for the basis of the initial proposed new rent will include, but are not limited to; the comparative leasing rate of similar airports in the Alaskan marketplace, as well as local and state economic conditions and the airports' vacancy rates.
 - a. If an agreement is not reached ninety (90) days prior to the end of the current five (5) year period, the fair market rental value of the premises shall be determined by an appraiser selected by the lessor who shall (a) be a member of The American Institute of Real Estate Appraisers, and (b) have experiencing in appraising properties similar to the premises. (The "Qualified Appraiser"). The cost of the initial appraisal shall be born equally between Lessor and Lessee. If either the Lessor or Lessee or both shall disapprove of the fair market rental of the premises as thus determined, the dissatisfied party(s) may then designate another Qualified Appraiser who shall conduct a second (or additional) independent appraisal(s) of the premises and the fair market rental of the premises shall be determined to be the average of the two appraisals. The cost of the additional appraisal shall be borne by the dissatisfied party. In the event that both the Lessor and the Lessee are both dissatisfied with the original appraisal than the cost of, the second appraisal shall be borne equally between the Lessor and Lessee.

2. Lessor's failure to timely start this rent adjustment procedure does not affect the rent adjustment, other than that the rent shall not be adjusted for the period before Lessor starts the procedure for each five-year period.
 - a. If, for example, Lessor starts the rent-adjustment procedure for the first time on the first day of the seventh year of the lease term, then the rent shall remain unchanged for the previous six years.
 - b. Any adjustment in Section 1.4 would start as of the first day of the seventh year and remain in effect through year ten when Lessor could again start the rent-adjustment procedure.
- C. During the pendency of any determination of fair market rent, Lessee shall pay the rent last in effect for the Premises until such determination has been made. Any deficiency between the rent so paid and the adjusted rent retroactive to the beginning of the period for which it is due shall be paid within thirty (30) days of being billed to Lessee with interest from the original due date of such rent at the rate highest rate allowed by law for debts under \$25,000 or twelve percent (12%) per annum, whichever rate is lower.

Section 1.5 Determination of Fair Market Rent

- A. The fair market rent of the premises shall be based on the Consumer Price Index for the Municipality of Anchorage from the United States Department of Labor statistics as outlined in Section 1.4.
- B. Fair market rent shall not include any return on improvements placed on the Premises by the Lessee or its predecessors in interest, but shall include a return for improvements placed on the Premises by the Lessor or otherwise belonging to Lessor.
- C. The parties acknowledge that certain property at Palmer Municipal Airport may not currently and may not in the future be leased for a fair market rent.
- D. The returns received by Lessor from other aviation Leases at Palmer Municipal Airport, therefore, shall not be used exclusively by the appraiser to determine a fair market rent.
- E. Any appraisal of the Premises shall consider any limitation or restriction on use imposed under this Lease or pursuant to any patent, deed, lease or grant from or agreement with the United States to the Lessor, including but not limited to aviation restricted use.
- F. Lessor shall send written notice to Lessee of the amount determined to be the fair market rent together with a copy of the appraisal.

ARTICLE II - IMPROVEMENTS

Section 2.1 Improvements

- A. Promptly after the execution and delivery of this Lease, and as hereinafter more particularly provided, the Lessee at its own cost and expense shall cause plans and specifications to be prepared for the construction of the following building, structures and improvements to be placed on the leased Premises, hereinafter referred to as "Improvements".
 1. Improvements consist of: 70' x 80' R & M Prefab Steel Aircraft Hanger
 2. 10,000 square foot paved apron
 3. Utilities of: Electric, Natural Gas, Telecommunications
 4. Private Commercial Well
 5. Private ADEC Approved Septic System (Section 2.10 Septic Maintenance Agreement)
- B. Failure to timely complete the improvements shall constitute a condition of default.

- C. The improvements shall fully comply with all applicable federal, state, and municipal laws and regulations, including but not limited to federal, state, and municipal building, fire, construction and safety codes and zoning regulations and requirements.

Section 2.2 Plans and Specifications

- A. The Lessee at its own cost and expense shall have prepared conceptual plans for improvements and shall prepare and submit them to the Department of Community Development and the Airport Manager on or before June 15, 2022. The conceptual plans shall have a site plan, building floor plan, all four building elevations and the improvements to be constructed.
- B. The Lessee shall submit the conceptual plans required (as outlined by this section) within the time specified, or the Lessor shall have the right and privilege to terminate this Lease on ten (10) days written notice and if such notice is given this Lease shall terminate and shall be of no further force and effect at the expiration of such ten-day period.

Section 2.3 Conceptual Plans

- A. The Department of Community Development shall examine the conceptual plans and within thirty (30) days after submission, the Airport Manager shall inform the Lessee in writing of any objections to the conceptual plans.
 - 1. In event of objections, the Lessee shall have thirty (30) days to propose any corrective amendments which the Airport Manager shall accept or reject within the next twenty (20) days.
 - 2. Failure of the Airport Manager to inform the Lessee in writing of his or her objections within twenty (20) days shall constitute the Airport Manager's and the Department of Community Development's approval.
- B. The Airport Manager's and Department of Community Development's approval of the conceptual plans submitted by Lessee shall not constitute the assumption of any liability of Lessor for their compliance or conformity with applicable building codes, zoning regulations, and/or city, borough, state and federal laws, ordinances and/or regulations, or for their accuracy.
 - 1. Lessee shall be solely responsible for such plans.
 - 2. The Airport Manager's and Department of Community Development approval of such plans shall not constitute a waiver of Lessor's right to thereafter require Lessee to amend the same to provide for any corrections or omissions needed to comply with applicable building codes, zoning regulations, city, borough, state or federal laws, ordinances or regulations.
 - 3. The review and approval required by this section is in addition to any other review and approval needed for any required building permits or similar authorization.

Section 2.4 Final Plans

After the Airport Manager has notified the Lessee of his or her approval of the conceptual plans and specifications, the Lessee shall promptly apply to the appropriate municipal department for a building permit for any construction or building required to be erected by Lessee pursuant to this Article.

- A. The Lessee shall submit to the Airport Manager any plans and detailed drawings including copies which may be required for the permit before submitting the plans and drawings for a permit.
- B. Thereafter the Lessee at the Lessee's own expense shall proceed promptly with preparation of complete and final plans and complete detailed specifications (such plans

and specification hereafter termed "final plans") for the Improvements and shall submit to the Airport Manager for the Airport Manager's approval the final plans as soon as practicable.

- C. The failure of the Lessee to proceed promptly with the preparation of final plans or to submit final plans as required by this section shall constitute a default and breach of this Lease and shall enable the Lessor to terminate this Lease on ten days written notice.

Section 2.5 Airport Manager's Approval

The Airport Manager shall not unreasonably withhold his or her approval to any conceptual plans, specifications, any plans and detailed drawings, or any final plans or complete detailed specifications.

Section 2.6 Compliance with part 77 FAR

Lessee agrees to comply with the notification and review requirements covered in Part 77 of the Federal Aviation Regulations and any similar requirement prior to the construction of the Improvements and prior to the construction of any further structure or building upon the Premises, or in the event of any planned modification or alteration of any present or future building or structure situated on the Premises.

Section 2.7 Commencement of Construction

If the Lessee has not commenced construction of the Improvements by, on or before September 15, 2022, the Lessor shall have the right at Lessor's option to terminate this Lease on thirty (30) days written notice.

Section 2.8 Completion of Construction

- A. The Lessee shall have completed construction of the Improvements by, on or before November 15, 2023.
- B. The construction shall be completed when the Improvements have been substantially completed and are capable of the use for which they were intended.
- C. If the Lessee has not completed the construction by the scheduled completion date the Lessor shall have the right, at Lessor's option, to terminate the Lease on ten days written notice.

Section 2.9 Liens

- A. Lessee hereby warrants to Lessor that the Premises and all such other Improvements, shall be free and clear of all liens, claims and encumbrances and agrees to indemnify, defend and hold Lessor harmless from and against any and all losses, damages and costs, including reasonable attorney's fees and appellate attorneys' fees, with respect thereto.
- B. If any lien or notice of lien on account of the alleged debt of Lessee or lien or notice of lien by any party engaged by Lessee or Lessee's contractor to work on the Premises shall be filed against the Premises or Improvements, Lessee shall cause the same to be discharged of record by payment, deposit, bond, order of court or competent jurisdiction or otherwise.

Section 2.10 Septic Maintenance Agreement

- A. The Lessee was granted a conditional waiver permitting onsite well and septic systems in a decision from the City of Palmer (Lessor) dated _____ ("Decision"), a copy of which is attached hereto as Exhibit A. The Decision is incorporated by

reference herein and the Lessee agrees to comply with the terms and conditions of the Decision.

- B. The Lessee shall provide sufficient evidence to the City (Lessor) and the Alaska Department of Environmental Conservation ("ADEC") that its septic system(s) complies with ADEC regulations under 18 AAC 72.005 – 440, and 18 AAC 72.900 –990. The Lessee shall further provide proof of ADEC approval and certification for construction and maintenance of the septic system pursuant to AS 46.30 and specifically to the process outlined in 18 AAC 72.035, excluding the waiver provision of (d), as well as found on the ADEC website at <https://dec.alaska.gov/water/wastewater/engineering/engineered-systems#nu>.
- C. ADEC Approval and Certification will be provided to the City (Lessor) no later than September 15, 2022.
- D. The Lessee shall pay the entire cost of all septic requirements including – ADEC approvals, construction of the septic system, maintenance, inspection, testing, for the septic system to serve the Property.
- E. The Lessee hereby agrees it is solely responsible for any and all operating and maintenance costs associated with the ADEC approved septic system located on the property, and that regularly scheduled preventative maintenance will be conducted, unless otherwise set forth in Section 2.10 SMA. The City (Lessor) shall receive two (2) copies of all material submitted to ADEC. This material will be given to the Airport Superintendent and the Community Development Department at the notice set forth herein, to be placed in the leasing and building file
- F. The Lessee agrees that any septic system operational failure that cannot be repaired to meet current ADEC requirements will result in the closure of the impacted structures on the Property.
- G. This agreement runs with the aforementioned lease and must be acknowledged by a potential buyer of the leasehold improvements should the leasehold property be sold after the date of this Amendment and Modification for the Septic Maintenance Agreement (SMA). The obligations and responsibilities under this SMA are transferable to a subsequent buyer of the leasehold improvements.
- H. The failure of the City (Lessor) at any time to enforce a provision of Section 2.10 SMA shall in no way constitute a waiver of the provisions, nor in any way affect the validity of this lease provision or any part hereof, or the right of the City (Lessor) thereafter to enforce every provision hereof.
- I. The Lessee shall not delegate duties or otherwise subcontract work or services under this section without the prior written approval of the City (Lessor). The Lessee shall acquire and maintain in good standing all permits, licenses and other entitlements necessary to the performance under this section. All actions taken by the Lessee under this section shall comply with all applicable statutes, ordinances, rules, and regulations. The Lessee shall be responsible for ensuring the compliance of its contractors or

subcontractors under this section. The Lessee shall pay all taxes pertaining to its performance under this section.

- J. The Lessee, its successors, and assigns, will protect, save, and hold harmless the City (Lessor) and its authorized agents and employees, from all claims, actions, costs, damages, or expenses of any nature whatsoever by reason of the acts or omissions of the Lessee, its subcontractors, assigns, agents, contractors, licenses, invitees, employees, or any person whomever arising out of or in connection with any acts or activities authorized by this section. The Lessee further agrees to defend the City (Lessor) and its authorized agents and employees in any litigation, including payment of any costs or attorney's fees for any claims or actions commenced thereon arising out of or in connection with the interpretation of this section, as well as acts or activities authorized by this section. This obligation shall not include such claims, costs, damages, or expenses which may be caused by the sole negligence of the City (lessor) or its authorized agents or employees.
- K. This section is being executed by the parties following negotiations between them. It shall be construed according to the fair intent of the language as a whole, not for or against any party.

Section 2.11 Performance Guarantee

- A. The work, of \$100,000, as described in this lease document shall not begin until the Lessee or Lessee's contractor has provided to the Lessor a performance guarantee in the form of a performance bond, escrow, an irrevocable letter of credit, or deed of trust in an amount equal to 110% of the estimated cost of the Improvements to be accomplished, which guarantees the completion of the work by Lessee or Lessee's contractor in accordance with the plans and specifications approved by Lessor and guarantees the payment by Lessee or Lessee's contractor of all subcontractors' charges and all other persons and firms supplying services, labor, materials or supplies in connection with the work.
- B. The work, if funded by an Alaskan Financial Institution on behalf of the Lessee of \$100,000, as described in this lease document shall not begin until the Lessee's Financial Institution has provided to the Lessor a "Letter of Guarantee" in an amount equal to 100% of the cost of improvements in a "Construction Escrow Account" and guarantees the payment by Lessee, Lessee's Contactor or Lessee's Financial Institution of all subcontractors' charges and all other persons and firms supplying services, labor, materials or supplies in connection with the work, in a form approved by the City.
- C. Bonds shall be a performance bond from a company qualified by law to act as a surety in the State of Alaska. The bond shall be in a form approved by the City. The bond shall name the City as the sole obligee and the Lessee as the principal. The surety must be rated by A.M. Best as an A or B surety.
- D. The Lessee may deposit cash in an escrow with a bank qualified by law to do business in the State of Alaska. The disbursement of the escrowed funds shall be governed by an escrow agreement in a form approved by the City.
- E. The Lessee may provide to the City, an irrevocable letter of credit or loan commitment by a bank qualified by law to do business in the State of Alaska naming the City as beneficiary. The letter of credit or loan commitment agreement shall be in a form approved by the City.

- F. The Lessee may grant the City a first deed of trust on real property located in the Matanuska-Susitna Borough to secure the estimated cost of all improvements. The City will accept the first deed of trust if:
1. The Matanuska- Susitna Borough's assessed value for the tax purposes equals or exceeds the amount to be secured by the deed of trust; and
 2. The City obtains at the Lessee's expense, a policy of title insurance from a recognized Title Company doing business in the Matanuska Susitna Borough naming the City as the insured beneficiary of the first deed of trust in the amount of the estimated cost of all improvements.

Section 2.12 Inspection

During construction, the Lessor shall have the right, from time to time, to inspect the Improvements and in the event that during the construction or at any time prior to the issuance of a final certificate of occupancy, the Lessor determines that the Improvements are not being constructed in accordance with the plans and specifications specified in this lease, Lessor may give notice in writing to the Lessee specifying in detail the particular deficiency, omission or other respect in which the Lessor claims construction does not meet the plans and specifications. Upon receipt of any such notice the Lessee shall take steps necessary to correct any deficiencies, omissions or otherwise.

Section 2.13 Non-Responsibility

The Lessor may at the time enter upon the Premises for the purpose of posting notices of non-responsibility for any work, labor or materials supplied or furnished to these Premises and the Lessee shall notify, in writing, and in advance of any construction, the Lessor of any construction in order that the Lessor may post such notices of non-responsibility. It is the understanding of the parties hereto that any such work, labor, or materials are supplied only to further the purposes of the Lessee and that work, labor and materials have been contracted for solely by the Lessee for Lessee's own benefit and not as agent of Lessor.

Section 2.14 As Built Plans

Within sixty (60) days after the project's completion date, the Lessee shall deliver to the Lessor a surveyed plot plan of the leased Premises showing the completed Improvements as built in relation to the property lines of the leased Premises.

Section 2.15 Improvements Subject to Reversion or Removal

All alterations, buildings, structures or other Improvements placed on the Premises by Lessee shall be subject to Section 7.6 of this Lease.

Section 2.16 Alterations and Other Improvements

The Lessee shall have the right, from time to time, to make such alterations and improvements and decoration to the Premises. Any alterations, improvements and decorations shall be reasonably necessary or appropriate in the Lessor's judgment for the conduct Lessee's business. Lessee shall obtain Lessor's written approval before any such alterations are made. Approval shall not be reasonably withheld as long as Lessee complies with provisions of this article.

Section 2.17 Pavement/Utility Services

Any pavement or utility services to be constructed by the Lessee shall be constructed in accordance with design and specifications approved by the Lessor and the construction shall be

subject to inspection by the Lessor. Such improvements shall not be constructed without the prior consent of the Lessor in writing.

ARTICLE III - USE OF THE LEASED PREMISES

Section 3.1 Airport Purposes

- A. Lessee shall have the right to conduct on the premises those activities stated in Section 1.1 B only, and Lessee shall not use the Premises for any other purpose or activity without first obtaining the written consent of the Airport Manager to do so.
- B. In addition, Lessees' activities are to be aeronautical related activities as defined in the Federal Aviation Administration's (FAA's) Airport Compliance Handbook, FAA order 5190.6B and the FAA Revenue Diversion Policy and all planned development shall be consistent with the Palmer Municipal Airport Layout Plan and Master Plan.
- C. It is the purpose of this Lease to foster and abet air commerce at Palmer Municipal Airport and it is not the intent of this Lease to provide premises for uses which do not promote the development and use of Palmer Municipal Airport.
- D. All uses normally incidental to an airport such as car rental agencies, limousine service, restaurants, insurance sales, and other such incidental services not directly related to the maintenance and operation of aircraft are prohibited except when the Airport and the FAA have established that a specific facility is not currently needed for aeronautical purposes.
- E. Any non-aeronautical use must be limited and incidental.
- F. Any non-aeronautical use must be approved by the Airport Manager and the FAA in writing prior to its commencement.
- G. Any approved non-aeronautical use will be allowed only on an interim basis and will be phased out if aeronautical demand increases.
- H. If a non-aeronautical use is approved, the rent provided in section 1.3 shall be increased to reflect the fair market value of the portion of the Premises used for non-aeronautical uses.
- I. Requests for non-aeronautical uses will be made first to the Airport Manager and if approved by the Airport Manager and FAA, the non-aeronautical use and the conditions associated therewith will be detailed in an addendum to this Lease.
- J. Lessee shall not use or permit any part of the Premises to be used for any unlawful purpose of or for any purpose or use that may constitute a nuisance or hazard to health, safety, or property.
- K. Lessee shall not use or allow the Premises or any part thereof to be used or occupied for any purpose in violation of any law, lawful order, or rule or regulation concerning the operation or use of Palmer Municipal Airport.

Section 3.2 Compliance with Laws

Lessee shall comply with all laws now or hereinafter in effect affecting the Premises or Lessee's use or occupancy thereof, including but not limited to Palmer Municipal Airport Regulations; PMC 12.08; and PMC 17 all as may be amended from time to time.

Section 3.3 Hazardous Materials

- A. Neither Lessee nor Lessee's agents shall cause or permit any Hazardous Materials or Substances to be brought upon, generated, stored, disposed of, or used in or about the Premises by Lessee, its agents, employees, contractors, or invitees without the prior written consent of Lessor.

- B. Lessee shall demonstrate to Lessor's reasonable satisfaction that such Hazardous Materials or Substances are necessary to Lessee's business and will be used, generated, disposed of, and stored in a manner that complies with all laws regulating any such Hazardous Materials or Substance so brought upon, generated, stored, disposed of or used in or about the Premises.
- C. Lessor may, at its option require Lessee to provide annual reports, submitted with the annual rent payment.
- D. The Lessee will report the kinds and quantities of Hazardous Materials or Substance on the Premises and how the Lessee complies with applicable laws regarding disposal.
- E. If Hazardous Material or Substances have been used, generated, disposed of or stored in or about the Premises during the term of this Lease, Lessor may, at its election, have any environmental assessment performed of the Premises, at the Lessee's expense, at the termination of this Lease or termination of Lessee's right to possession under this Lease.
- F. If any of the following occur;
 - 1. Lessee breaches the obligations in this section;
 - 2. The presence of Hazardous Material or Substance on the Premises caused or permitted by Lessee results in contamination of the Premises or contamination of any other property at the Palmer Municipal Airport; or
 - 3. Contamination of the Premises or any other property at Palmer Municipal Airport by Hazardous Material or Substance otherwise occurs for which Lessee is legally liable to Lessor for damage resulting therefrom;
 - a. Then Lessee shall indemnify, defend, and hold Lessor harmless from any and all claims, judgments, damages, penalties, fines, costs, liabilities, or losses including, without limitation, diminution in value of the Premises, damages for the loss or restriction on use of rentable or usable space or of any amenity of the Premises, damages arising from any adverse impact on marketing of space, sums paid in settlement of claims, attorneys' fees, appellate attorney's fees, consultant fees, expert fees, costs incurred in connection with any investigation of site conditions or any clean-up, remedial, removal, or restoration work required by any federal, state, or local governmental agency or political subdivision because of Hazardous Material or substance present in the soil or groundwater on or under the Premises which arise during or after the Lease term as a result of such contamination.
- G. Without Limiting the foregoing, if the presence of any Hazardous Material or Substance on the Premises caused or permitted by Lessee results in any contamination of the Premises or any other property at the Palmer Municipal Airport, Lessee shall promptly take all actions at its sole expense as are necessary to return the Premises and/or other property to the condition existing prior to the introduction of any such Hazardous Material or Substance; provided that Lessor's approval of such actions shall first be obtained, which approval shall not be unreasonably withheld so long as such actions would not potentially have any material adverse long-term or short-term effect on the Premises or other property.
- H. As used herein, the term "Hazardous Material or Substance" shall be interpreted broadly to include, but not limited to, substances designated as hazardous under the Resource Conservation and Recovery Act, 42 USC Section 6901 et seq., the Federal Water Pollution Control Act, 33 USC Section 1257 et seq. the Clean Air Act, 42 USC Section 2001 et seq the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 USC Section 9601 et seq., Title 46 of the Alaska Statutes, or by any applicable federal,

state, or local statute, regulation or ordinance now or hereafter in effect and as they may be amended or interpreted from time to time.

- I. The provisions of this Section 3.3 shall survive any termination of Lessee's right to possession of the Premises and/or termination of this Lease.

Section 3.4 Americans with Disabilities Act

Lessor and Lessee agree that as allowed by 28 C. F. R. S. 36.201(b), Lessee shall be responsible for all compliance responsibility under the Americans with Disabilities Act (42 U.S.C. S 12101 et. Seq.) related to Lessee's use and occupancy of the Premises. Lessee agrees to defend, indemnify and hold Lessee harmless from any claim, demand, or action, either by a private person or a governmental entity, under said Act due to failure to comply with the terms of said Act. The provisions of this Section 3.4 shall survive termination of Lessee's right to possession of the Premises and/or termination of this Lease.

Section 3.5 Reservations and Exceptions

This Lease is made by the Lessor and accepted by the Lessee conditioned upon and subject to any conditions, reservations, limitations, provisions or terms imposed upon the Premises of Palmer Municipal Airport, as contained in any grant (including any monetary grant or loan), lease, permit, patent, deed, or any other conveyance to the Lessor of the Premises, or of Palmer Municipal Airport, 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 Lessee therefor.

Section 3.6 Subordination of Lease to Requirements of the Federal Aviation Administration

- A. This Lease shall be subordinated to the provisions of any existing or future agreements between the Lessor and the United States, relative to the operation or maintenance of Palmer Municipal Airport, the execution of which has been or may be required as a condition precedent to the expenditure of federal funds for the development or operation of Palmer Municipal Airport.
- B. In connection therewith, the Lessor has undertaken and may in the future undertake certain obligations respecting its operation of Palmer Municipal Airport and activities of its contractors, Lessees and permitted thereon. The performance by Lessee of the covenants, promises and obligations contained in this Lease is therefore a special consideration and inducement to this Lease. Lessee further covenants and agrees that if the administrator of the Federal Aviation Administration, or any other governmental official or body having jurisdiction over the enforcement and the obligations of the City in connection with the Federal or State aid, shall make any orders, recommendations or suggestions respecting the performances by Lessee of its obligations under this Lease, Lessee shall promptly comply therewith, at the time or times when and to the extent that the Lessor may direct.

Section 3.7 Aircraft on Premises

The Lessee shall provide the Airport Manager a list showing 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 concerning its identification thereof as the Airport Manager shall deem necessary.

Section 3.8 Discriminatory Acts Prohibited

- A. The Lessee shall furnish any service to be rendered by the Lessee in connection with or upon the Premises on a fair, equal and not unjustly discriminatory basis to all users thereof. In performing such services Lessee shall charge fair, reasonable and not unjustly discriminatory prices or rates for each unit of service furnished, provided the Lessee may take reasonable and nondiscriminatory discounts, rebates or other similar types of price reductions to volume users or purchasers.
- B. The Lessee, in its use and occupancy of the Premises, shall not discriminate against any person or class of persons by reason of race, color, creed or national origin, or by reason of any other basis that is illegal or becomes illegal during the term of this Lease, any extension, or any holdover period.
- C. The Lessor upon ten (10) days' notice to the Lessee of any violation of this section shall request that the Lessee either correct or justify any practice or charge alleged as a violation.
- D. In any proceeding whatsoever the burden of justification shall be on the Lessee to show that the practice or charge does comply with the requirements of this section. The Lessee, within ten (10) days after receipt of the notice, shall comply with the request or submit to the Lessor its justification in writing. The Lessor shall submit its findings and decision as to any alleged violation within fifteen (15) days after the receipt of the Lessee's justification, and such findings and decision of the Lessor shall be final. Unless the Lessee shall notify in writing the Lessor within ten (10) days of its objections to any request for compliance or to any adverse findings and decision, the Lessee shall waive any defense that the alleged violation is justified.
- E. The Lessor, at its option, may forthwith terminate this Lease without any liability to Lessee thereunder for failure by Lessee without justification to comply with Lessor's request for compliance within the time set forth in the request or the findings and decision to correct the alleged violation.

Section 3.9 Affirmative Action

- A. The Lessee assures that it will undertake an affirmative action program as required by 14 CFR Part 152, Subpart E, to insure that no person shall on the grounds of race, creed, color, national origin, or sex be excluded from participating in any employment activities covered in 14 CFR Part 152, Subpart E. The Lessee assures that no person shall be excluded on these grounds from participating in or receiving the services or benefits of any program or activity covered in this subpart. The Lessee assures that it will require that its covered sub-organizations provide assurances to the Lessor that any similarity will undertake affirmative action programs and that they will require assurances from their sub-organizations, as required by 14 CFR Part 152, Subpart E, to the same effect.
- B. The Lessor upon ten (10) days' notice to the Lessee of any violation of subsection A shall request that the Lessee either correct or justify any practice or charge alleged as a violation. In any proceeding whatsoever, the burden of justification requirement of subsection A. The Lessee within ten (10) days after receipt of the notice, shall comply with the request or submit to the Lessor its justification in writing. The Lessor shall submit its findings and decision as to any alleged violation within fifteen (15) days after receipt of the Lessee's justification, and such findings and decision of the days of its objections to any request for compliance or to any adverse findings and decision, the Lessee shall waive any defense that the alleged violation is justified.
- C. The Lessor, at its option, may forthwith terminate this Lease without any liability to Lessee thereunder for any failure by Lessee without justification to comply with Lessor's request

for compliance within the time set forth in the request of the findings and decision to correct the alleged violation.

Section 3.10 Maintenance of Premises

- A. Lessee shall repair and maintain the Improvements in good order and repair and keep the Premises in a neat, safe, clean and orderly condition. Such obligation shall include, but not be limited to, the prevention of the accumulation of any refuse or waste materials which might be or constitute a fire hazard or a public or private nuisance.
- B. In the event that Lessee does not properly repair and/or maintain the Improvements or Premises, the Airport Manager shall notify the Lessee in writing of those areas that are not being properly repaired and/or maintained.
- C. If, however, after 60 days, Lessee fails to make such repair and/or maintenance, Lessor may cause to have such repair and maintenance made and invoice the Lessee for the repair and maintenance completed.
- D. If said costs are not paid promptly by Lessee, the lease shall be deemed to be in default, and Lessor shall be entitled to all legal remedies provided hereunder.
- E. Lessee shall neither cause nor allow any waste of the Premises or Improvements. In addition, Lessee shall be strictly liable for any waste of the Premises or Improvements and for any damage to reversion.

Section 3.11 Signs

- A. Lessee shall not, without Lessor's written consent, place or erect any sign of any nature on any part of the Premises, but such consent shall not be unreasonably withheld to one flat sign of reasonable size bearing the Lessee's trade name, providing such sign meets all city zoning and sign requirements.
- B. At the termination of this Lease, any such sign shall be removed by Lessee at Lessee's own expense.
- C. Lessee shall apply for a sign permit from the Department of Community Development and shall comply with Palmer Municipal Code.

Section 3.12 Improvements and Alterations

After the initial improvements set forth in Article II have been completed, and if the Lessee desires to construct further improvements:

- A. Prior to commencing construction, renovation, enlargement, demolition, or modification of leasehold improvements now or hereafter existing on the Premises, Lessee shall submit to the Airport Manager plans and specifications for such work (including plans for landscaping and irrigation, if any) and Timeline for various phases of work.
- B. The Airport Manager shall approve or disapprove such plans and specifications and accompanying Timeline at his or her sole discretion.
- C. Upon Lessee's receipt of the Airport Manager's written approval of such plans and specifications, Lessee agrees to construct the proposed leasehold improvements in strict accordance with such plans and specifications and Timeline.
- D. The Airport Manager's approval of submitted plans and specifications shall not constitute the assumption of any liability by Lessor for their compliance or conformity with applicable building codes, zoning regulations, and city borough, state and federal laws, ordinances and regulations, or for their accuracy, and Lessee shall be solely responsible for such plans and specifications.
- E. The Airport Manager's approval of plans and specifications shall not constitute a waiver of Lessor's right to therefore require Lessee to amend the same to provide for any corrections

- or omissions needed to comply with applicable building codes, zoning regulations, city, borough, state or federal laws, ordinances or regulations.
- F. The review and approval required by Section 3.12 is in addition to any other review and approval needed for any required building permits or similar authorizations.
 - G. Lessee shall obtain all necessary licenses and permits to accomplish any of the work described in Section 3.12. Nothing in this Lease is intended to limit or restrict the City of Palmer in the exercise of its police power, authority to enforce building, fire and other safety codes, laws, ordinances, or regulations.
 - H. Lessee agrees to comply with the notification and review requirements covered in part 77 of the Federal Aviation Regulations prior to the construction of the Improvements and prior to the construction of any future building or structure situated on the Premises.
 - I. Any contract or agreement for labor, services, materials or supplies furnished in connection with construction or alteration of any improvement to the Premises shall provide that no lien, claim or other encumbrance shall thereby be created, or arise, or be filed by anyone thereunder upon or against the Premises or the improvements.
 - J. Before the commencement of any such work, Lessee shall deliver to Lessor either an executed duplicate original of such contract or a written waiver by the architect, engineer, contractor, material man, mechanic, person or corporation named in such contract of all right of lien which he or it might otherwise have upon or against the Premises, or the improvements to be constructed or altered, or the interest of Lessor therein.
 - K. Lessee hereby warrants to Lessor that the Premises and all such other improvements thereto, shall be free and clear of all liens, claims and encumbrances and agrees to indemnify, defend and hold Lessor harmless from and against any and all losses, damages and costs, including reasonable attorneys' fees and appellate attorneys' fees, with respect thereto.
 - L. If any lien or notice of lien on account of the alleged debt of Lessee or lien or notice of lien by any party engaged by Lessee or Lessee's contractor to work on the Premises shall be filed against the Premises or improvements, Lessee shall cause the same to be discharged of record by payment, deposit, bond, order of court or competent jurisdiction or otherwise.
 - M. The work, in excess of \$100,000, as described in this lease document shall not begin until the Lessee or Lessee's contractor has provided to the Lessor a performance guarantee in the form of a performance bond, escrow, an irrevocable letter of credit, or deed of trust in an amount equal to 100% of the estimated cost of the Improvements greater than \$100,000 to be accomplished, which guarantees the completion of the work by Lessee or Lessee's contractor in accordance with the plans and specifications approved by Lessor and guarantees the payment by Lessee or Lessee's contractor of all subcontractors' charges and all other persons and firms supplying services, labor, materials or supplies in connection with the work.
 - N. All alterations, buildings, structures or other improvements placed on the Premises by Lessee shall be subject to section 7.6 of this Lease.

Section 3.13 Quiet Possession

The Lessee, upon paying rent and observing the conditions and terms of this Lease, shall and may have at all times during the term of this Lease peaceful and quiet enjoyment and possession of the Premises, except as otherwise set forth in this Lease.

Section 3.14 Lessee's option to Terminate

- A. Should any government body, agency, or official, other than Lessor, prohibit or otherwise prevent the use of Palmer Municipal Airport in its present condition as a public airport for one year or more, or should the continued use of Palmer Municipal Airport as an airport become impossible or unlawful without the fault of the Lessee, the Lessee shall have the option to terminate this Lease on thirty (30) days written notice to the Lessor.
- B. Upon such termination, this Lease shall be at an end, and neither party shall have any liability for such termination.
- C. The Lessor shall notify the Lessee in writing, of the prohibition, or intended prohibition, and the failure of the Lessee to exercise the option to terminate within thirty (30) days shall extinguish the Lessee's option to terminate.

Section 3.15 Lessor's Option to Terminate

- A. Lessee hereby grants to Lessor should it require the Premises in connection with the future expansion and/or operation of the Airport prior to the expiration or termination of the Lease, Lessor may, upon ninety (90) days written notice, cancel this Lease.
- B. In the event that this Lease is canceled under the provisions of this Section, Lessor shall pay to Lessee the fair market value of Lessee's remaining leasehold interest and the fair market value of Lessee owned buildings, structures, alterations and/or improvements placed by Lessee upon the Premises during the term of this Lease.
- C. The fair market value shall be determined by following the appraisal procedure set forth determination of the fair market rental of the Premises in Section 1.4 of this Lease.
- D. After payment therefore as provided herein, all buildings, structures, alterations and/or improvements shall be subject to the provisions of section 7.6 of this Lease.

Section 3.16 Right of Entry and Access

- A. Lessee hereby grants to Lessor, its contractors, employees, agents and assigns, the irrevocable right, permission and authority to enter into and upon all or part of the Premises for the purpose of:
 - 1. Inspecting the Premises;
 - 2. Cleaning, repairing, maintaining, altering or improving the Premises as Lessor may deem necessary;
 - 3. Abating any nuisance or hazardous condition on the Premises, and/or
 - 4. Preserving and/or protecting the Premises.
- B. It is understood and agreed that the entry and access may affect the use of the Premises from time to time. Lessor shall use reasonable efforts to coordinate any anticipated access or utility or other interruptions with Lessee in an attempt to reasonably reduce the effect of any disruption of Lessee's enjoyment and use of the Premises.
- C. The right of access and entry reserved herein does not impose, nor does Lessor assume by reason thereof, any responsibility for the care, maintenance or supervision of the Premises. Lessee shall not be entitled to any abatement or reduction in rent by reason of Lessors access and/or entry nor shall such access or entry be deemed an actual or constructive eviction.

Section 3.17 Lessor's Improvements

- A. Lessor shall have a permanent right of access over, under, around and across the Premises for the purposes of maintaining, servicing, upgrading, replacing or removing any Lessor-installed improvements including, but not limited to, light poles, utilities, and fencing.
- B. This section does not require Lessor to provide any improvements.

- C. Lessor's maintenance shall not include paving, aircraft tie downs, snow removal or sanding.
- D. 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.
- E. Lessor agrees to use reasonable efforts to notify of any upgrading, replacing or repair work with Lessee and to reasonably reduce disrupting Lessee's use of the Premises when practicable.
- F. In the event of abandonment or default, any Lessee improvement will become the property of the Lessor.

Section 3.18 Aviation Easement

Lessee's right to use the Premises for the purposes as set forth in this Lease shall be secondary to and subordinate to the operation of the airport. Lessor specifically reserves for itself, other Palmer Municipal Airport leaseholders, and for the public, an easement for the passage of aircraft in the air space above the surface of the described property together with the right to cause in said air space or on adjacent property such noise as may be inherent in the present or future operation of aircraft. Without in any way limiting Lessor's rights under Section 3.12, Lessee shall not construct any building or facility to a height which in Lessor's discretion will interfere with the operations of the airport.

Section 3.19 Right-of-Way and Easement

Lessor shall have the right to designate or grant rights-of-way or utility easements across the Premises without compensation to Lessee, provided that Lessee shall be entitled to compensation for the taking or destruction of any of Lessee's improvements and provided further that Lessee may terminate the Lease or demand a rental adjustment to reflect any reduction in value of the Premises.

ARTICLE IV - TAXES, INDEMNIFICATION, AND INSURANCE

Section 4.1 Taxes, Assessments, and Utilities

- A. Lessee, in addition to the rentals provided for herein, shall pay when due (and before delinquency) all taxes, utility fees, assessments, and charges upon the Premises, the leasehold interest, and upon buildings, improvements and property thereon, which are assessed or charged at any time during the term.
- B. The Lessee shall furnish to the Lessor for Lessor's inspection within thirty (30) days after the date any amount payable by the Lessee as required by this section, official receipts from the appropriate taxing authorities or other proof satisfactory to the Lessor evidencing payment.
- C. The Lessee shall have the right at all times to protest any assessment of taxes or other assessments or charges, but the Lessor may require the Lessee to deposit with the Lessor any sums in dispute to insure payment in the event that any contest is unsuccessful.
- D. Lessee shall pay and be responsible for all charges for gas, electricity, water, light, heat, power, garbage, solid waste, and other utility service used in or about or supplied to the Premises.
- E. Lessee shall timely pay all sales tax on the rent on the lease, utilities, sales, service, rents, etc., and shall comply with City and Borough sales tax laws.

Section 4.2 Indemnification

Lessee shall indemnify, defend and hold Lessor harmless from all liability or loss (including, but not limited to reasonable attorneys' fees and appellate attorneys' fees) arising from any injury to any person or persons (including without limitation Lessee, its agents or employees) or property of any kind whatsoever while in, upon, or in any way connected with the Premises during the term of this Lease, or any use or occupancy hereunder, however occurring, including any acts, negligent or otherwise, and any omissions (negligent or otherwise), by Lessee, its agents, independent contractors, or employees, unless caused by or resulting from the sole negligence of the Lessor or any of Lessor's agents or employees.

Section 4.3 Insurance

- A. Lessee, at its own expense, shall secure and maintain in full force at all times during the term of this Lease:
1. Commercial general liability. Commercial general liability insurance with a single occurrence liability limit of \$1,000,000 and an aggregate of \$2,000,000 insuring against liability of Lessee, its officers, contractors, licensees, agents, employees, guests, invites and authorized representatives, arising out of and/or in connection with Lessee's use or occupancy of the Premises; or
 2. Airport premises liability. Airport premises liability insurance on an occurrence basis with a single combined liability limit of not less than \$1,000,000 occurrence and \$2,000,000 aggregate limit for bodily injury and property damage.
 3. If applicable, third-party aircraft liability insurance with a single combined liability limit of not less than \$1,000,000 per occurrence;
 4. Commercial property insurance in the amount of replacement costs.
 5. The Lessor reserves the right to require Lessee to provide pollution insurance as warranted by the proposed use of the Premises.
- B. This insurance required under this Section shall:
1. Name the Lessor as an "additional insured"
 2. Contain a clause that the insurer will not cancel or change the insurance without first giving the Lessor thirty (30) days prior written notice;
 3. Be with an insurance company qualified to do business in the State of Alaska with a financial rating of at least "A" as rated in current Best's Insurance Reports;
 4. Include a waiver of subrogation clause by which the insurer waives all rights of subrogation against the Lessor for payments made under the policy; and
 5. Not contain a damage deductible for each and every loss that exceeds \$10,000.
- C. Lessee shall provide Lessor with proof of insurance coverage in the form of a certificate of insurance, and if requested by the Lessor, Lessee shall provide Lessor with a copy of the policy(ies). Failure to maintain such insurance in effect shall constitute grounds for immediate termination of this lease. Lessor may at its option purchase said insurance and charge the expense thereof to Lessee, which expense Lessee shall assume and pay.
- D. To reasonably protect itself, Lessor may adjust these minimum insurance requirements and add types of insurance or both by giving Lessee written notice of such adjustment ninety (90) days prior to the expiration of each five (5) year interval of the term of this Lease. Lessor may also adjust these minimum insurance requirements at any time if Lessee's use of the Premises changes, and in such event, Lessor shall give Lessee thirty (30) days written notice of such adjustment.
- E. The requirements of insurance coverage do not relieve Lessee from any other obligation under this Lease.

ARTICLE V - ASSIGNMENT AND SECURITY INTERESTS

Section 5.1 Assignment and Subletting

- A. Lessee shall not voluntarily assign or encumber its interest in this Lease or in the Premises or sublease all or any part of the Premises, or allow any other person or entity to occupy or use all or any part of the Premises without first obtaining Lessor's prior written consent. Lessor will not unreasonably withhold its consent; provided, however, if Lessor does unreasonably withhold its consent, Lessor shall not be liable for any damages, costs or attorney's fees arising therefrom.
1. Lessor may condition its consent upon such terms as are in its best interest, including but not limited to matters regarding laws, insurance, risks, Lessee's defaults or past practices, risks attributable to assignee, etc., but Lessor may not condition its consent upon raising the rent other than as already allowed under this Lease.
 2. Any assignment, encumbrance or sublease without Lessor's consent shall be voidable and, at Lessor's election, shall constitute a default.
 3. No consent to any assignment, encumbrance or sublease shall constitute a further waiver of the provisions of this section.
- B. If Lessee is a partnership or limited liability company, a withdrawal or change, voluntary, involuntary or by operation of law, of any partner or partners, member or members owning twenty-five percent (25%) or more of the partnership or LLC in one or more transactions, or the dissolution of the partnership or LLC, shall be deemed a voluntary assignment.
- C. If Lessee is a corporation any dissolution, merger, consolidation or other reorganization of Lessee, or the sale or other transfer of a controlling percentage of the capital stock of Lessee in one or more transactions, or the sale of twenty-five percent (25%) of the value of the assets of Lessee in one or more transactions without immediate replacement with assets of equal or greater worth, shall be deemed a voluntary assignment.
- D. Lessee hereby irrevocably assigns to Lessor, as security for Lessee's obligations under this Lease, all rent from any subletting of all or a part of the Premises, and Lessor, as assignee and attorney-in-fact for Lease, may collect such rent and apply it toward Lessee's obligations under this Lease, except that, until the occurrence of an act of default by Lessee, Lessee shall have the right to collect such rent as it becomes due, one payment period at a time, which payment period may never exceed one year.
- E. Lessee may not charge a sub-lessee a rent rate that changes from year to year, other than changes that result directly from changes made by Lessor, and Lessee shall never have the right to collect or receive rent in advance of when it is due. If the sub-lessee pays Lessee in advance and Lessor collects rent hereunder, then the sub-lessee must pay the advanced rent to Lessor and sub lessee may retrieve the advanced rent from Lessee. Neither this section nor collection of any such rent by Lessor shall be deemed to be Lessor's approval of any such sublease.
- F. If, as a result of an assignment or sublease, the Premises will be used for purposes other than as set forth in section 3.1 herein. The consent of the Palmer City Council and the FAA, if applicable, must be obtained. It is the policy of the city council to discourage non-aviation related uses. Additionally, if incremental revenues over and above the Lessee's Lease payments will be realized from the sublease or assignment pertaining to non-aeronautical uses, Lessor may raise Lessee's existing rent to fair market value at the time of the approval of the sublease.

- G. All assignment instruments shall include language whereby Assignee expressly assumes and agrees to pay the obligations of Lessee under this Lease.
 - 1. No assignment shall release or diminish the obligations of any Lessee or any Guarantor for performance of Lessee's obligations hereunder and Lessee shall remain liable as if no assignment were made.
 - 2. Lessee and Assignee will be jointly and severally liable for such obligations.
 - 3. Neither this section nor any payment of rent by such Assignee shall be deemed to be Lessor's approval of any such assignment.
- H. All sublease instruments shall provide that the sublease is subject to all of the terms, covenants and conditions of this Lease.
- I. Lessee agrees to pay to Lessor \$500 for any request by Lessee for Lessor to consent to any assignment or subletting by Lessee.

Section 5.2 Mortgage and Encumbrances

- A. Lessee shall not mortgage or otherwise encumber this Lease (including Lessee's leasehold estate in the improvements thereon) without the prior written consent of Lessor.
- B. The Lessor's consent to the mortgage or encumbrance shall not be unreasonably withheld, provided the mortgage or beneficiary shall agree to the attached form of Assignment of Lease for Security Purposes and Consent to Assignment of Lease attached hereto as Exhibit C.
- C. Lessee shall furnish the Lessor with a copy of any security transaction mortgaging or encumbering the Premises for the Lessor's approval prior to any mortgaging or encumbering of the Premises, and shall further furnish a copy to the Lessor of any such executed security transactions.

ARTICLE VI - DEFAULT AND ENFORCEMENT

Section 6.1 Default Defined

The occurrence of one or more of the following shall be deemed a default by the Lessee and a breach of this Lease:

- A. Failure to pay the rent provided herein, or any part thereof, or other charge due hereunder, for a period of ten (10) days after written notice of such failure is given by Lessor to Lessee;
- B. Failure to perform the obligations set forth in Sections 3.8, 3.9, and 3.10 hereof, after any notice required by those sections;
- C. Failure to provide and maintain in effect **insurance** in compliance with Section 4.3 hereof **(for which failure there is no notice time requirement)**;
- D. Failure to do, observe, keep and perform any other terms, covenants, conditions, agreements and provisions contained in this Lease for a period of thirty (30) days after written notice of such failure is given by Lessor to Lessee, 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 such default within the initial thirty (30) days and complete such cure within a total of sixty (60) days after the sending of the notice;
- E. The abandonment of the premises by the Lessee, the making by the Lessee of a general assignment for the benefit of creditors, or the appointment of a permanent or temporary receiver for the Lessee's property, which is not vacated or set aside within thirty (30) days of sending of written notice of such event by Lessor; or

- F. The issuance of three (3) written notices for defaults or breaches within any consecutive twelve-month period, regardless of whether or not the default or breach was cured within the applicable time period.

Section 6.2 Lessor Remedies on Default

Upon the occurrence of any default of Lessee as described in Section 6.1 or elsewhere in this Lease, Lessor shall have the option to pursue any one or more of the following remedies without any notice or demand whatsoever:

- A. Lessor may, at its election, terminate this Lease or terminate Lessee's right to possession only, without terminating this Lease.
- B. Upon termination of this Lease, whether by lapse of time or otherwise, or upon any termination of Lessee's right to possession without termination of this Lease, Lessee shall surrender possession and vacate the Premises immediately, and deliver possession thereof to Lessor, and Lessee hereby grants to Lessor full and free license to enter into and upon the Premises in such event with or without process of law and to repossess Lessor of the Premises and to expel or remove Lessee and any others who may occupy or be within the Premises and to remove and all property therefrom, without being deemed in any manner guilty of trespass, eviction or forcible entry or detainer, and without incurring any liability for any damage resulting therefrom, Lessee hereby waiving any right to claim damage for such re-entry and expulsion and without relinquishing Lessors right to rent or any other right given to Lessor hereunder or by operation of law.
- C. Upon any termination of this Lease, whether by lapse of time or otherwise, Lessor shall be entitled to recover:
 - 1. The worth at the time of the award of the unpaid rent (including any amounts treated as additional rent) that had been earned at the time of termination;
 - 2. The worth at the time of the award of the amount by which the unpaid rent (including any amounts treated as additional rent) that would have been earned after the date of termination until the time of award exceeds the amount of the loss of rent for the same period that Lessee proves could have been reasonably avoided;
 - 3. The worth at the time of the award of the amount by which the unpaid rent (including a reasonable estimate of additional rent) for the balance of the term exceeds the amount of the loss of rent for the same period that Lessee proves could have been reasonably avoided; and
 - 4. Any other amount, full reasonable attorney's fees and court costs, necessary to compensate Lessor for all detriment proximately caused by Lessee's default.
- D. "The worth at the time of the award," used in this section, is to be computed by allowing interest as determined by the current bond rating from State of Alaska Municipal Bond Bank plus 5%. The "time of the award" is the date the Lessee is notified of the termination of the lease by the Lessor. Such notification shall be done by certified mail.
- E. Upon any termination of Lessee's right to possession only without termination of this Lease, Lessor may, at the Lessor's option enter into the Premises, remove Lessee's signs and other evidences of tenancy, and take and hold possession thereof as provided in this section, without such entry and possession terminating this Lease or releasing Lessee, in whole or in part, from any obligation, including Lessee's obligation to pay the rent, including any amounts treated as additional rent hereunder, for the full term.
- F. Upon termination of Lessee's right to possession, Lessor may, but need not, relet the Premises or any part thereof for such rent and upon such terms as Lessor in its sole discretion shall determine (including, but not limited to, the right to relet the Premises for

- a greater or lesser term than that remaining under this Lease, the right to relet the Premises as a part of a larger area, and the right to change the character or use made of the Premises) and Lessor shall not be required to accept any tenant offered by Lessee or to observe any instructions given by Lessee about such reletting.
- a. In any such case, Lessor may make repairs, alterations and additions in or to the, Premises, and Lessee shall, upon demand, pay the cost thereof, together with Lessor's expenses of reletting.
 - b. If the consideration collected by Lessor upon any such reletting plus any sums previously collected from Lessee are not sufficient to pay the full amount of all rent, including any amounts treated as additional rent here under and other sums reserved in this Lease for the remaining term hereof, together with the costs of repairs, alterations, additions, and Lessor's expenses of reletting and the collection of the rent accruing therefrom (including attorneys' fees), Lessee shall pay to Lessor the amount of such deficiency upon demand and Lessee agrees that Lessor may file suit to recover any sums falling due under this subpart from time to time.
- E. Lessor may, at Lessor's option, enter into and upon the Premises, with or without process of law, if Lessor determines in its sole discretion that Lessee is not acting within a commercially reasonable time to maintain repair or replace anything for which Lessee is responsible hereunder and correct the same, without being deemed in any manner guilty of trespass, eviction or forcible entry and detainer and without incurring any liability for any damage resulting therefrom and Lessee agrees to reimburse Lessor, on demand, as additional rent, for any expenses which Lessor may incur in thus effecting compliance with Lessee's obligations under this Lease.
- F. Any and all property which may be removed from the Premises by Lessor pursuant to the authority of this Lease or of law or in equity, to which Lessee is or may be entitled, may be handled, removed and stored, as the case may be, by or in the direction of Lessor at the risk, cost and expense of Lessee, and Lessor shall in no event be responsible for the value, preservation or safekeeping thereof.
1. Lessee shall pay to Lessor, upon demand, any and all expenses incurred in such removal and all storage charges against such property so long as the same shall be in Lessor's possession or under Lessors control.
 2. Any such property of Lessee not retaken by Lessee from storage within thirty (30) days after removal from the Premises shall conclusively be presumed to have been conveyed by Lessee to Lessor under this Lease as a bill of sale without further payment or credit by Lessor to Lessee; provided, however, Lessor may disclaim as to any item or items and the effect of such disclaimer will be that the item or items never became the property of Lessor.
- G. Pursuit of any of the foregoing remedies shall not preclude pursuit of any of the other remedies herein provided or any other remedies provided by law or equity (all such remedies being cumulative), nor shall pursuit of any remedy herein provided constitute a forfeiture or waiver of any rent, additional rent or other sum due to Lessor, hereunder or of any damages accruing to Lessor by reason of the terms, provisions and covenants herein contained.
- H. No act or thing done by Lessor or its agents during the term hereby granted shall be deemed a termination of this Lease or an acceptance of the surrender of the Premises, and no agreement to terminate this Lease or an acceptance of the surrender of the Premises shall be valid unless in writing signed by Lessor.
- I. No judicial action shall be necessary to terminate this Lease.

- J. No waiver by Lessor of any violation or breach of any of the terms, provisions, and covenants herein contained shall be deemed or construed to constitute a waiver of any other violation or breach of any of the terms, provisions and covenants herein contained.
- K. Lessors acceptance of the payment of rental, including any amount treated as additional rental, or other sums hereunder after the occurrence of an event of default shall not be construed as a waiver of such default, unless Lessor so notifies Lessee in writing.
- L. Forbearance by Lessor to be deemed or construed to constitute a waiver of such default or of Lessor's right to enforce any such remedies with respect to such default or any subsequent default.
- M. If, on account of any breach or default by Lessee in Lessee's obligations under the terms and conditions of this lease, it shall become necessary or appropriate for Lessor to employ or consult with an attorney concerning this Lease or enforce or defend any of Lessor's rights or remedies hereunder, Lessee agrees to pay any attorneys' fees and appellate attorneys' fees so incurred.
- N. Lessor shall not be responsible or liable for any failure to relet the Premises or any part thereof, or for any failure to collect any rent due upon such reletting.

Section 6.3 Lessor's Failure to Enforce and Nonwaiver

- A. Failure by the Lessor to insist 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 acceptance of full or partial rentals during the continuance of any such breach shall not constitute a waiver of any such breach or any such term, condition or covenant.
- B. Terms, conditions or covenants of this Lease required to be performed by the Lessee, and breach thereof, shall not be waived, altered or modified, except by written instrument executed by the Lessor.
- C. Waiver of any breach shall not affect 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 thereof, and any other or subsequent default or breach may be enforced by the Lessor as provided in this Lease.

ARTICLE VII - GENERAL COVENANTS

Section 7.1 Condition and Status of Premises

- A. Lessee acknowledges that Lessee has examined the Premises 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 said warranties being hereby expressly property **as-is** in its present condition, together with all faults.
- B. Lessee agrees to provide written notice to Lessor immediately upon Lessee becoming aware or having a reasonable belief:
 1. That the Premises or any adjacent property is being, may be, or has been contaminated with any Hazardous Materials, or
 2. Of the existence of any Hazardous Materials in, within, on or near the Premises or adjacent property.

Section 7.2 Risk of Loss

Destruction or damage to any building or improvement on the Premises by fire, rain, ice, snow, windstorm, earthquake, aircraft accident, or any other casualty or action of the elements shall not entitle the Lessee to surrender possession of the Premises, 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 under the terms hereof.

Section 7.3 Repair or Rebuilding

- A. Upon the destruction or damage to any building or structure by fire or other casualty covered by insurance or that is supposed to be covered by Lessee's insurance, Lessee may, with Lessor's consent rebuild the building or structure.
- B. Upon the destruction or damage to any building or structure by casualty that is not covered by insurance and is not supposed to be covered by insurance, Lessee shall have the right to repair, restore or rebuild the building or structure within one (1) year after the date of such occurrence or as per written agreement with the Airport Manager.

Section 7.4 Condemnation

- A. If all the Premises, or any part thereof required for the reasonable use of the Premises, is taken by eminent domain, this Lease shall expire on the date when the Lessee is required to vacate the Premises, and the rent shall be apportioned as of that date.
- B. If there is a taking of a part of the Premises not required for the reasonable use of the Premises, then this Lease shall continue in full force and effect and the rent shall be equitably reduced, based on the proportion by which the Premises is reduce, such rent reduction to be effective as of the date possession of such portion is delivered to the condemning authority.
- C. Except for improvements constructed and paid for by Lessee, Lessor reserves all rights to damages to the Premises for any taking by eminent domain and Lessee hereby assigns to Lessor any right Lessee may have to such damages or award.
- D. Lessee shall make no claim against Lessor for damages for termination of the leasehold interest or interference with Lessee's business. Lessee shall have the right, however, to claim and recover from the condemning authority compensation for any loss to which Lessee may be put for Lessee's moving expenses and for the interruption of or damages to Lessee's business, provided that such damages may be claimed only if they are awarded separately in the eminent domain proceeding and not as part of the damages recoverable by Lessor.

Section 7.5 Surrender of Premises

At the expiration of any Lease term, upon termination of this Lease, upon reentry by Lessor or otherwise, the Lessee shall peacefully and quietly surrender the Premises 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 7.6 Reversion or Removal of Buildings and Improvements

- A. Any and all buildings, structures, alterations or improvements placed by the Lessee upon the Premises shall, at the option of the Lessor, revert to and become the property of the Lessor at and upon the expiration or termination of this Lease and/or the termination of Lessee's right to possession of the Premises.
- B. Lessor, in its sole discretion, may require Lessee to remove part or all of said buildings, structures, alterations and/or improvements including, but not limited to, fuel tanks and lines, and partially or completely restore the Premises to the condition of the Premises at the inception of this Lease by sending written notice requesting such removal and restoration within sixty (60) days after such expiration or termination.

- C. Lessee shall then at its own expense complete such removal and restoration within ninety (90) days of the sending of such notice.
- D. At the conclusion of the current lease and extension period(s) the existing Lessee shall be given preference in executing a new lease on the same premises, provided that the proposed land use is compatible with the current Airport Layout Plan and the Lessee is otherwise in good standing with the City of Palmer and in substantial compliance with the existing lease.
- E. Section(s) 7.5 and 7.6 do not necessarily preclude a lessee from recovering value from Lessee's leasehold improvements by selling to a third party at any time during the lease term, provided that all other conditions of the active lease have been met. At such time, the buying third party would request a new lease or an assignment of the existing lease, and such request would not be reasonably withheld.

Section 7.7 Holdover

- A. In the event the Lessee shall hold over after the expiration or termination of this Lease for any cause whatsoever, Lessee shall pay Lessor monthly rent at double the annual rental rate divided by twelve for the entire time Lessee remains in possession, and in addition thereto, Lessee shall hold Lessor harmless from all damages resulting from Lessee's failure to surrender the Premises, including, without limitation, claims made by a succeeding tenant resulting from Lessee's failure to surrender the Premises.
- B. If Lessee remains in possession of the Premises after expiration of the term of the Lease, or after the date in any notice given by Lessor to Lease termination this Lease, such possession by Lessee shall be deemed to be a month-to-moth tenancy terminable on thirty (30) days' notice given at any time by either party.
- C. The provisions of this section do not exclude Lessor's rights of re-entry or any other right under this Lease.

Section 7.8 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 Manager, City of Palmer
 231W. Evergreen Ave.
 Palmer, AK 99645

Lessee's address: Birdhouse Holdings, LLC
 C/O Cash and Stacia Joyce
 6200 E. Beechcraft Rd.
 Wasilla, AK. 99654

Section 7.9 Rights or Remedies

No right or remedy herein conferred upon or reserved to Lessor is intended to be exclusive or 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 7.10 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 7.11 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 Alaska District or Superior Court in Palmer, Alaska, only.

Section 7.12 Recordation of Lease

The parties prefer to record a memorandum of this Lease rather than the Lease itself and contemporaneously with the execution hereof they have executed a memorandum of Lease in the form of Attachment A which is attached hereto and may be recorded by either party. In the event it should be so require by any title company insuring title for Lessee, or by any lending institution from which Lessee proposed to make a loan, then Lessee may cause this Lease to be placed of record.

Section 7.13 Severability

The invalidity or unenforceability of any particular provision of this Lease shall not affect any remaining provisions hereof, and, in any such event this Lease shall be construed and interpreted in all respects as if such invalid or unenforceable provision were omitted.

Section 7.14 Construction

Lessee and Guarantor have been advised to have this Lease and the Guaranty reviewed by their own attorney. The parties agree that this Lease and Guaranty shall not be construed more strictly against one party than the other nor shall this lease be construed against the lessor.

7.15 Gender and Plurality

Unless the context of this Lease clearly requires a different interpretation of construction, all references to masculine, feminine or neuter genders shall be construed to refer to all such genders; and all references to the singular shall also include the plural, and vice versa.

Section 7.16 Joint and Several Liability

The obligations of each Lessee are joint and several.

Section 7.17 Entire Agreement

This written Lease constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes all other prior or contemporaneous agreements, oral or written, between the parties not included herein. No modifications, amendments, deletions, additions or alterations of this Lease shall be effective unless in writing and signed by all of the parties hereto or such representatives of the parties as have been duly authorized to make such change.

LESSOR: CITY OF PALMER

By: _____
John Moosey, City Manager

Date: _____

LESSEE: BIRDHOUSE HOLDINGS, LLC

By: _____
Cash Joyce (Member)

Date: _____

By: _____
Stacia Joyce (Member)

Date: _____

NOTARY

STATE OF ALASKA)
)ss.
THIRD JUDICIAL DISTRICT)

THIS IS TO CERTIFY that on the _____ day of _____, 2022, before me the undersigned, a Notary Public in and for the State of Alaska, duly commissioned and sworn, personally appeared, to me known and known to me to be the identical individual described in and who executed the within and foregoing LEASE AGREEMENT as City Manager of the City of Palmer, freely and voluntarily on behalf of the City of Palmer for the uses and purposes therein mentioned.

GIVEN UNDER MY HAND and official seal the day and year last above written.

Notary Public in and for Alaska

My commission expires: _____

NOTARY

STATE OF ALASKA)

)ss.

THIRD JUDICIAL DISTRICT)

This is to certify that on the _____ day of _____, 2022, before me, the undersigned, a Notary Public in and for the State of Alaska, personally appeared, Cash Joyce, Member / Owner of Birdhouse Holdings, the limited liability company named in the forgoing instruments, acknowledged to me that he/she had, in his/her official capacity is authorized by the limited liability company to execute the foregoing instruments as the free act and deed of the said limited liability company for the uses and purposes therein stated.

WITNESS my hand and official seal the date and year first above written.

Notary public in and for Alaska

My commission expires: _____

NOTARY

STATE OF ALASKA)

)ss.

THIRD JUDICIAL DISTRICT)

This is to certify that on the _____ day of _____, 2022, before me, the undersigned, a Notary Public in and for the State of Alaska, personally appeared, Stacia Joyce, Member / Owner of Birdhouse Holdings, the limited liability company named in the forgoing instruments, acknowledged to me that he/she had, in his/her official capacity is authorized by the limited liability company to execute the foregoing instruments as the free act and deed of the said limited liability company for the uses and purposes therein stated.

WITNESS my hand and official seal the date and year first above written.

Notary public in and for Alaska

My commission expires: _____

GUARANTOR(s):

By: _____
Cash Joyce, (Individually)

Date: _____

By: _____
Stacia Joyce (Individually)

Date: _____

NOTARY

STATE OF ALASKA)
)ss.
THIRD JUDICIAL DISTRICT)

This is to certify that on the ____ day of _____, 2022, before me, the undersigned, a Notary Public in and for the State of Alaska, personally appeared, Cash Joyce, known to me to be the person named in the foregoing instruments, acknowledged to me that he/she had executed the same for the uses and purposes therein stated.

WITNESS my hand and official seal the date and year first above written.

Notary public in and for Alaska

My commission expires: _____

NOTARY

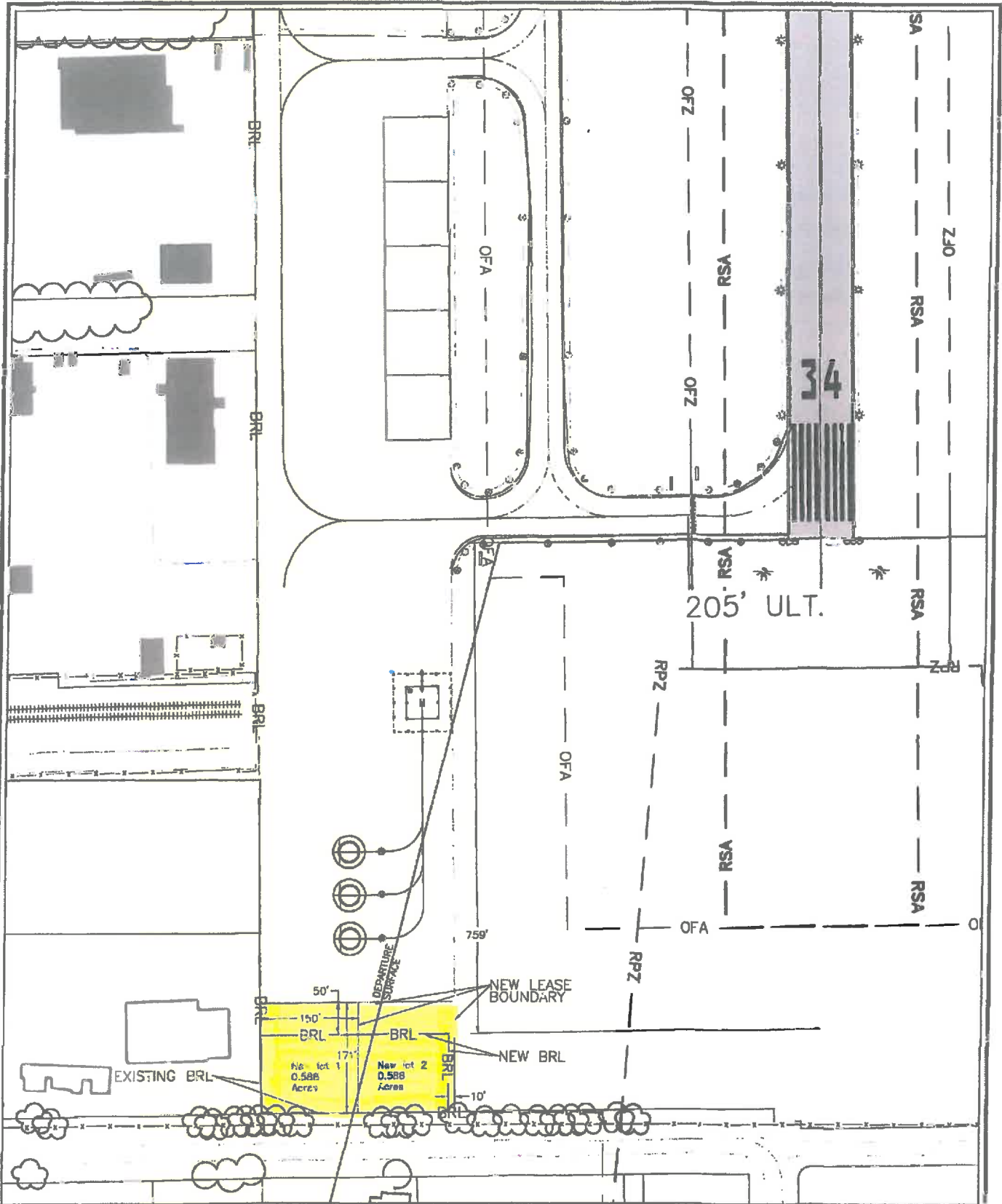
STATE OF ALASKA)
)ss.
THIRD JUDICIAL DISTRICT)

This is to certify that on the ____ day of _____, 2022, before me, the undersigned, a Notary Public in and for the State of Alaska, personally appeared, Stacia Joyce, known to me to be the person named in the foregoing instruments, acknowledged to me that he/she had executed the same for the uses and purposes therein stated.

WITNESS my hand and official seal the date and year first above written.

Notary public in and for Alaska

My commission expires: _____



HDL ENGINEERING
Consultants

civil - geotechnical - surveying - environmental - material testing

ANCHORAGE 907.584.2120
 MAT-SU 907.746.5230
 KENAI 907.283.2051
 3335 Arctic Boulevard, Suite 100 Anchorage, AK 99503
 AECL861 www.HDLAlaska.com

RUNWAY 16/34 REHABILITATION + RELATED IMPROVEMENTS
FIGURE 1 - HELICOPTER LEASE LOTS
 CITY OF PALMER
 PALMER, ALASKA

DATE:	05-07-18	DRAWN BY:	TJA	SHEET:	1
SCALE:	1" = 200'	CHECKED BY:		JOB NO.:	16-034



"Return To"
City of Palmer
231 West Evergreen Avenue
Palmer, AK 99645
907-745-3271

PALMER MUNICIPAL AIRPORT
MEMORANDUM OF LEASE AGREEMENT No. 22-002

This is a Memorandum of Lease Agreement No. 22-002 made and entered into as of this _____ day of _____, 2022, by and between the City of Palmer, a municipal corporation organized and existing under its charter and the laws of the State of Alaska, hereinafter referred to as the "Lessor", and Birdhouse Holdings, LLC, hereinafter referred to as the "Lessee".

Agree upon the following terms:

1. **Lease.** The provisions set forth in a written Lease Agreement No. 22-002 between the parties hereto dated the ____ day of _____ 2022, are hereby incorporated by reference into this Memorandum.

2. **Demised Premises.** The Demised Premises, which are the subject of The Lease Agreement No. 22-002, are more particularly described as follows:

A parcel of land located within Tract B, Palmer Municipal Airport recorded as Plat No. 2006-15 in the Palmer Recording District, Third Judicial District, State of Alaska and further described as follows:

Palmer Municipal Airport, Block 3, Helipad Lease Lot(s) 1 and 2
Containing 0.588 acres each or 51,300 square feet combined, more or less
A.K.A. NHN Outer Springer Loop, Palmer, AK. 99645

See Attached "Exhibit A" **TEMPORARY EXHIBIT**

Parcel may be subject to additional easements and/or encumbrances not shown or depicted hereon.

3. **Commencement Date of Lease.** The Lease Agreement shall be deemed to have commenced on **June 1, 2022**, as set forth within the terms of the Lease. The Term of the Lease Agreement shall be 25 years from the Commencement Date as stated in the written Lease. The initial term shall commence on the date hereof and terminate on **May 31, 2048**. Provided Lessee fully and faithfully performs all of the covenants and conditions contained herein for the term of the Lease, Lessor may approve an additional period of 20 years at the expiration of this Lease so that the

total number of years available to Lessee is 45 years. As with the initial term at the start of and continuing through the renewal period.

4. **Duplicate Copies** of the originals of the Lease Agreement are in the possession of the Lessor and Lessee and reference should be made thereto for a more detailed description thereof and for resolution of any questions pertaining thereto.

5. **Notices.** Any notices required to be sent in accordance with the terms of this Lease Agreement No. 22-002, 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 Manager
City of Palmer
231W. Evergreen Ave.
Palmer, AK 99645

Lessee's address: Birdhouse Holdings, LLC
C/O Cash and Stacia Joyce
6200 E. Beechcraft Rd.
Wasilla, AK. 99654

6. **Purpose.** It is expressly understood and agreed by all parties that the sole purpose of this Memorandum of Lease is to give record notice of the Lease Agreement No. 22-002; it being distinctly understood and agreed that said Lease Agreement No. 22-002 constitutes the entire lease and agreement between Lessor and the Lessee with respect to the Demised Premises and is hereby incorporated by reference. The Lease Agreement No. 22-002 contains and sets forth additional rights, terms, conditions, duties, and obligations not enumerated within this instrument which govern the Lease and addendum. This Memorandum is for information purposes only and nothing contained herein may be deemed in any way to modify or vary any of the terms or conditions of the Lease Agreement No. 22-002. In the event of any inconsistency between the terms of the Lease Agreement No. 22-002 and this instrument, the terms of the Lease Agreement No. 22-002, shall control. The rights and obligations set forth herein shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, representatives, successors, and assigns.

IN WITNESS WHEREOF, the parties hereto have executed this Memorandum of Lease pursuant to due authorization on the dates herein acknowledged.

LESSOR: CITY OF PALMER

By: _____
John Moosey, City Manager

Date: _____

LESSEE: BIRDHOUSE HOLDINGS, LLC

By: _____
Cash Joyce (Member)

Date: _____

By: _____
Stacia Joyce (Member)

Date: _____

NOTARY

STATE OF ALASKA)

)ss.

THIRD JUDICIAL DISTRICT)

THIS IS TO CERTIFY that on the _____ day of _____, 2022, before me the undersigned, a Notary Public in and for the State of Alaska, duly commissioned and sworn, personally appeared, to me known and known to me to be the identical individual described in and who executed the within and foregoing LEASE AGREEMENT as City Manager of the City of Palmer, freely and voluntarily on behalf of the City of Palmer for the uses and purposes therein mentioned.

GIVEN UNDER MY HAND and official seal the day and year last above written.

Notary Public in and for Alaska

My commission expires: _____

NOTARY

STATE OF ALASKA)
)ss.
THIRD JUDICIAL DISTRICT)

This is to certify that on the _____ day of _____, 2022, before me, the undersigned, a Notary Public in and for the State of Alaska, personally appeared, Cash Joyce, Member / Owner of Birdhouse Holdings, the limited liability company named in the forgoing instruments, acknowledged to me that he/she had, in his/her official capacity is authorized by the limited liability company to execute the foregoing instruments as the free act and deed of the said limited liability company for the uses and purposes therein stated.

WITNESS my hand and official seal the date and year first above written.

Notary public in and for Alaska

My commission expires: _____

NOTARY

STATE OF ALASKA)
)ss.
THIRD JUDICIAL DISTRICT)

This is to certify that on the _____ day of _____, 2022, before me, the undersigned, a Notary Public in and for the State of Alaska, personally appeared, Stacia Joyce, Member / Owner of Birdhouse Holdings, the limited liability company named in the forgoing instruments, acknowledged to me that he/she had, in his/her official capacity is authorized by the limited liability company to execute the foregoing instruments as the free act and deed of the said limited liability company for the uses and purposes therein stated.

WITNESS my hand and official seal the date and year first above written.

Notary public in and for Alaska

My commission expires: _____

GUARANTOR(s):

By: _____
Cash Joyce, (Individually)

Date: _____

By: _____
Stacia Joyce (Individually)

Date: _____

NOTARY

STATE OF ALASKA)
)ss.
THIRD JUDICIAL DISTRICT)

This is to certify that on the _____ day of _____, 2022, before me, the undersigned, a Notary Public in and for the State of Alaska, personally appeared, Cash Joyce, known to me to be the person named in the foregoing instruments, acknowledged to me that he/she had executed the same for the uses and purposes therein stated.

WITNESS my hand and official seal the date and year first above written.

Notary public in and for Alaska

My commission expires: _____

NOTARY

STATE OF ALASKA)
)ss.
THIRD JUDICIAL DISTRICT)

This is to certify that on the _____ day of _____, 2022, before me, the undersigned, a Notary Public in and for the State of Alaska, personally appeared, Stacia Joyce, known to me to be the person named in the foregoing instruments, acknowledged to me that he/she had executed the same for the uses and purposes therein stated.

WITNESS my hand and official seal the date and year first above written.

Notary public in and for Alaska

My commission expires: _____



Exhibit "B"

January _____, 2022

Birdhouse Holdings, LLC
6200 E. Beechcraft Rd.
Wasilla, AK. 99654

John Moosey
City Manager

City of Palmer
231 W. Evergreen Ave.
Palmer, Alaska 99645-6952
(907) 761-1317
E-mail: jmoosey@palmerak.org
www.cityofpalmer.org

RE: PMA Lease No. 22-002
Waiver from Palmer Municipal Code (PMC)
Requirement to connect to City utilities (Water & Sewer)

In accordance with PMC Section 13.08.030 Water and Sewer Connections: The Lessee, Birdhouse Holdings LLC located at NHN Outer Springer Loop with the following legal description:

A parcel of land located within Tract B, Palmer Municipal Airport recorded as Plat No. 2006-15 in the Palmer Recording District, Third Judicial District, State of Alaska and further described as follows:

Palmer Municipal Airport, Block 3, Helipad Lease Lot(s) 1 and 2
Containing 0.588 acres each or 51,300 square feet combined, more or less

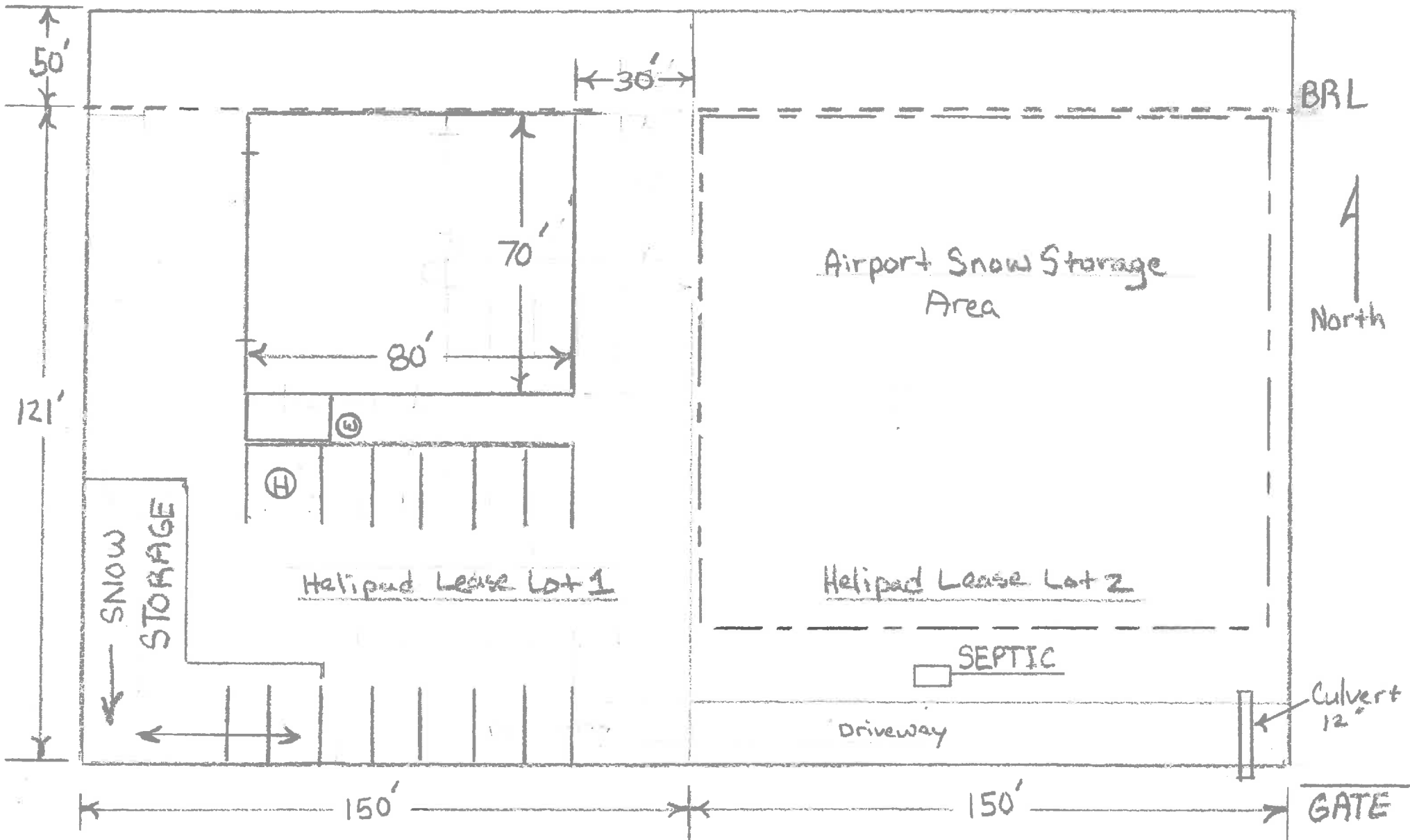
And in accordance with certain provisions outlined in PMA Lease Agreement No. 22-002, is hereby granted a waiver from PMC requirement to connect the proposed leasehold interest hangar on the property to City water and sewer utilities.

The Lessee has agreed to meet the requirements as detailed in PMC 13.08.030 D, to provide Alaska Department of Environmental Conservation "approval" on or before September 15, 2022 and have entered into a septic maintenance agreement outlined in Section 2.10 of the aforementioned Lease Agreement No. 22-002 for the septic system on the leasehold interest property, with the City of Palmer. This agreement is now incorporated into Lease No. 22-002 should the leasehold interest be sold and said lease assigned to a new entity prior to said leases natural termination or revocation by the Lessor. All stipulations and requirements of Section 2.10 Septic Maintenance Agreement are binding and will be strictly enforced.

John Moosey
City Manager

C.C. Frank J. Kelly, Airport Superintendent
Jude Bilafer, Director of Public Works

Helipad Area



NEACOLA MOUNTAIN AIR, LLC

PLOT PLAN

State of Alaska
Department of Commerce, Community, and Economic Development
Corporations, Business, and Professional Licensing

Certificate of Organization

The undersigned, as Commissioner of Commerce, Community, and Economic Development of the State of Alaska, hereby certifies that a duly signed and verified filing pursuant to the provisions of Alaska Statutes has been received in this office and has been found to conform to law.

ACCORDINGLY, the undersigned, as Commissioner of Commerce, Community, and Economic Development, and by virtue of the authority vested in me by law, hereby issues this certificate to

Birdhouse Holdings, LLC



IN TESTIMONY WHEREOF, I execute the certificate
and affix the Great Seal of the State of Alaska
effective **March 01, 2018**.

A handwritten signature in cursive script that reads "Mike Navarre".

Mike Navarre
Commissioner

Details

ENTITY DETAILS

Name(s)

Type	Name
Legal Name	Birdhouse Holdings, LLC

Entity Type: Limited Liability Company

Entity #: 10079286

Status: Good Standing

AK Formed Date: 3/1/2018

Duration/Expiration: Perpetual

Home State: ALASKA

Next Biennial Report Due: 1/2/2022 [File Biennial Report](#)

Entity Mailing Address: 6200 E BEECHCRAFT RD, WASILLA, AK 99654

Entity Physical Address: 6200 E BEECHCRAFT RD, WASILLA, AK 99654

Registered Agent

Agent Name: Stacia Joyce

Registered Mailing Address: 6200 E BEECHCRAFT RD, WASILLA, AK 99654

Registered Physical Address: 6200 E BEECHCRAFT RD, WASILLA, AK 99654

Officials

Show Former

AK Entity #	Name	Titles	Owned
	Cash Joyce	Member	50.00
	Stacia Joyce	Member	50.00

Filed Documents

Date Filed	Type	Filing	Certificate
3/01/2018	Creation Filing	Click to View	Click to View
3/01/2018	Initial Report	Click to View	
10/06/2019	Biennial Report	Click to View	

[Close Details](#)

[Print Friendly Version](#)



THE STATE
of ALASKA

Department of Commerce, Community, and Economic Development
Division of Corporations, Business, and Professional Licensing
PO Box 110806, Juneau, AK 99811-0806
(907) 465-2550 • Email: corporations@alaska.gov
Website: corporations.alaska.gov

FOR DIVISION USE ONLY

Domestic Limited Liability Company

2020 Biennial Report
For the period ending December 31, 2019

Web-10/6/2019 8:25:31 PM

Due Date: This report along with its fees are due by January 2, 2020

Fees: If postmarked before February 2, 2020, the fee is \$100.00.

If postmarked on or after February 2, 2020 then this report is delinquent and the fee is \$137.50.

Entity Name: Birdhouse Holdings, LLC

Entity Number: 10079286

Home Country: UNITED STATES

Home State/Prov.: ALASKA

Physical Address: 6200 E BEECHCRAFT RD, WASILLA, AK
99654

Mailing Address: 6200 E BEECHCRAFT RD, WASILLA, AK
99654

Registered Agent information cannot be changed on this form. Per Alaska Statutes, to update or change the Registered Agent information this entity must submit the Statement of Change form for this entity type along with its filing fee.

Name: Stacia Joyce

Physical Address: 6200 E BEECHCRAFT RD, WASILLA, AK
99654

Mailing Address: 6200 E BEECHCRAFT RD, WASILLA, AK
99654

Officials: The following is a complete list of officials who will be on record as a result of this filing.

- **Provide all officials and required information. Use only the titles provided.**
- **Mandatory Members:** this entity must have at least one (1) Member. A Member must own a %. In addition, this entity must provide all Members who own 5% or more of the entity. A Member may be an individual or another entity.
- **Manager:** If the entity is manager managed (per its articles or amendment) then there must be at least (1) Manager provided. A Manager may be a Member if the Manager also owns a % of the entity.

Full Legal Name	Complete Mailing Address	% Owned	Member
Stacia Joyce	6200 E BEECHCRAFT RD, WASILLA, AK 99654	50.00	X
Cash Joyce	6200 E BEECHCRAFT RD, WASILLA, AK 99654	50.00	X

If necessary, attach a list of additional officers on a separate 8.5 X 11 sheet of paper.

Purpose: Real Estate Holding and Rentals

NAICS Code: 531110 - LESSORS OF RESIDENTIAL BUILDINGS AND DWELLINGS

New NAICS Code (optional):

This form is for use by the named entity only. Only persons who are authorized by the above Official(s) of the named entity may make

**City of Palmer
Action Memorandum No. 22-008**

Subject: Authorize the City Manager to Purchase one TR310 Case Compact Track Loader in the amount of \$91,587.16 and to purchase the Compact Track Loader and Attachments under the Governmental and Proprietary Procurements Section of Palmer Municipal Code 3.21.230 by attaching to the Sourcewell Contract#32119-CNH awarded to CNH Industrial America LLC.


Agenda of: January 25, 2022

Council Action: **Approved** **Amended:** _____
 Defeated

Originator Information:

Originator: Jude Bilafer, Public Works Director

Department Review:

Route to:	Department Director:	Signature:	Date:
_____	Community Development	_____	_____
x	Finance		01/10/2022
_____	Fire	_____	_____
_____	Police	_____	_____
x	Public Works	JPB	1/10/2022

Certification of Funds:

Total amount of funds listed in this legislation: \$ **91,587.16**

This legislation (√):

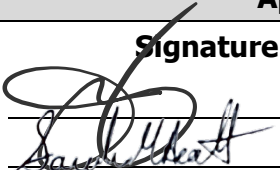
<input type="checkbox"/>	Creates revenue in the amount of:	\$ _____
x	Creates expenditure in the amount of:	\$ <u>91,587.16</u>
<input type="checkbox"/>	Creates a saving in the amount of:	\$ _____
<input type="checkbox"/>	Has no fiscal impact	

Funds are (√):

x	Budgeted	Line item(s): <u>09-01-10-6054 Public Works Equipment</u>
<input type="checkbox"/>	Not budgeted	_____

Director of Finance Signature: 

Approved for Presentation By:

	Signature:	Remarks:
City Manager		_____
City Attorney	_____	_____
City Clerk	_____	_____

Attachment(s):

- Yukon Equipment Case TR310 Compact Track Loader and Attachments Quote
- Sourcewell Contract Award #32119-CNH

Summary Statement/Background:

As part of the 2022 City Council Approved Budget for Palmer, funds were budgeted for purchase of a Compact Track Loader for the Public Works Department.

This action memorandum requests the authorization to purchase one new Compact Track Loader from Yukon Equipment, Inc.

The City of Palmer Administration will utilize the Governmental and proprietary procurements section of Palmer Municipal Code (3.21.230).

Administration's Recommendation:

To approve Action Memorandum No. 22-008



Serving Alaska since 1945
www.yukoneq.com

Anchorage
2020 East 3rd Ave.
Anchorage, AK 99501
(907) 277-1541

Fairbanks
3511 International St.
Fairbanks, AK 99701
(907) 457-1541

Wasilla
450 E. Railroad Ave.
Wasilla, AK 99654
(907) 376-1541

Quote Date: 10/29/21
Prepared By: Ronnie Malerich
Direct Line: 907-677-5727
Cell: 907-312-6582
Email: Ronniem@yukoneq.com

QUOTE FOR: City of Palmer
CONTACT: Greg Wickham
PHONE: 907-863-0742
EMAIL: gwickham@palmerak.org

QUOTATION
QUOTE VALID THROUGH
11/29/2021

In stock

One 2021 Case TR310 Compact Track Loader Unit # U21084
Sourcewell # 32119

Order Items

Case 72" Snowblower (3 Weeks ARO)

Erskine 68" Reversible Power Angle Kick Broom (4 Weeks ARO)

High Flow Auxiliary Kit (TBD ARO)

TR310 CTL List Price: \$80,671.00

Sourcewell Discount: -\$20,974.46

Freight: \$6,660.62

PDI: \$500.00

Total for Machine w/ Bucket: \$66,857.16

Optional Items:

72" Snowblower: \$9,650.00

Erskine 68" PAB: \$10,880.00

High Flow Auxiliary Kit (Installed): \$4,200.00

Accepted: _____ Date: _____

FORM E
CONTRACT ACCEPTANCE AND AWARD



(Top portion of this form will be completed by Sourcewell if the vendor is awarded a contract. The vendor should complete the vendor authorized signatures as part of the RFP response.)

Sourcewell Contract #: 032119-CNH

Proposer's full legal name: CNH Industrial America LLC

Based on Sourcewell's evaluation of your proposal, you have been awarded a contract. As an awarded vendor, you agree to provide the products and services contained in your proposal and to meet all the terms and conditions set forth in this RFP, in any amendments to this RFP, and in any exceptions that are accepted by Sourcewell.

The effective date of the Contract will be May 13, 2019 and will expire on May 13, 2023 (no later than the later of four years from the expiration date of the currently awarded contract or four years from the date that the Sourcewell Chief Procurement Officer awards the Contract). This Contract may be extended for a fifth year at Sourcewell's discretion.

Sourcewell Authorized Signatures:

DocuSigned by:
Jeremy Schwartz
C0FD2A139D06489...
SOURCEWELL DIRECTOR OF OPERATIONS AND
PROCUREMENT/CPO SIGNATURE

Jeremy Schwartz
(NAME PRINTED OR TYPED)

DocuSigned by:
Chad Coquette
7E42B8F817A64CC...
SOURCEWELL EXECUTIVE DIRECTOR/CEO SIGNATURE

Chad Coquette
(NAME PRINTED OR TYPED)

Awarded on May 10, 2019

Sourcewell Contract # 032119-CNH

Vendor Authorized Signatures:

The Vendor hereby accepts this Contract award, including all accepted exceptions and amendments.

Vendor Name CNH Industrial America LLC.

Authorized Signatory's Title Government Sales Manager

Tony Simpson
VENDOR AUTHORIZED SIGNATURE

Tony Simpson
(NAME PRINTED OR TYPED)

Executed on May 10th, 20 19

Sourcewell Contract # 032119-CNH

A. CALL TO ORDER:

A regular meeting of the Palmer City Council was held on December 14, 2021, in the Council Chambers, Palmer, Alaska. Mayor Carrington called the meeting to order at 6:00 p.m.

B. ROLL CALL:

Comprising a quorum of the Council, the following were present:

Steve Carrington, Mayor	Sabrena Combs
Pamela Melin, Deputy Mayor	Brian Daniels
Jill Valerius (on Zoom)	Richard Best (on Zoom)

Staff in attendance were the following:

John Moosey, City Manager	Shelly M. Acteson, CMC, City Clerk
Michael Gatti, City Attorney (via Zoom)	

C. PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was performed.

D. APPROVAL OF AGENDA

1. Approval of Consent Agenda
 - a. **Action Memorandum No. 21-067:** Approving the Cancellation of the December 28, 2021, Regular Meeting
 - b. **Action Memorandum 21-069:** Confirming the Mayor’s Nomination of Leighton Lee to the Airport Advisory Commission with Term Ending December 31, 2024
 - c. **Action Memorandum 21-070:** Confirming the Mayor’s Nomination of Ryan Richard to the Parks and Recreation Advisory Board with Term Ending December 31, 2024
 - d. **Action Memorandum 21-071:** Confirming Casey Peterson and Josh Tudor to the Planning and Zoning Commission with Terms Ending December 31, 2024
 - e. **Information Memorandum 21-006:** Notice of Intent to Award General Counsel Legal Services
2. Approval of Minutes of Previous Meetings
 - a. November 9, 2021, Special and Regular Meetings

Main Motion: To approve the Consent Agenda and Minutes.

Moved by:	Combs
Seconded by:	Valerius
Vote:	Unanimous
Action:	Motion Carried

E. COMMUNICATION AND APPEARANCE REQUESTS

F. REPORTS

1. City Manager's Report

City Manager John Moosey reported on the following:

- Thanked Attorney Gatti for his years of service to the city.
- Noted a letter will be sent to the Mat-Su Borough in relation to Ordinances 22-0002 and 22-003, concerning mining operations, and gravel tax.

2. Mayor's Report

Mayor Carrington reported on the following:

- Shared a thank you card from the Finance Department concerning the recently approved bonus for city employees.
- Upcoming Valley Mayors and Managers meeting.
- Explained his request to resign from his Council seat so the vacancy process can begin.
- Thanked Attorney Gatti for his dedication to the city.

3. City Clerk's Report

City Clerk Shelly Acteson reported on the following:

- Deputy Clerk position posted on the website.

4. City Attorney Report

City Attorney Michael Gatti reported on the following:

- Reminded Council to follow the Code.
- Reminded Council to treat each other with respect.

G. AUDIENCE PARTICIPATION

Connie Yoshimura:

- Provided an update on the Cedar Park Subdivision.
- Questioned the ever-changing requirements for her project.

Jackie Goforth and others presented as the Concerned Citizen Group:

- Referenced AS 42.62.310 violations and the Mat-Su Moms for Justice Facebook Group.
- Requested Council Members sign the recall petition.

Mike Coons:

- Spoke in favor of employees receiving raises, bonuses, etc. based on merit.

H. PUBLIC HEARINGS

- 1. Resolution 21-039:** Designating Authorized Signatures for Check Signing Affecting An and All Disbursements of the City Monies and Designating City Representatives Who are Authorized and Empowered to Execute and Deliver All Documentation and Instructions on City Investment Accounts

Mayor Carrington opened the public hearing on Resolution No. 21-039. Seeing no one come forward and hearing no objection from the Council, Mayor Carrington closed the public hearing.

Main Motion: To Adopt Resolution No. 21-039

Moved by:	Combs
Seconded by:	Valerius

Vote:	Unanimous
Action:	Motion Carried

2. Resolution No. 21-040: Authorizing the City Manager to Suspend the February 1, 2022, Late Fee for Business License Applications Due to the Implementation of Online Business License and Sales Tax Platform

Mayor Carrington opened the public hearing on Resolution No. 21-019. Seeing no one come forward and hearing no objection from the Council, Mayor Carrington closed the public hearing.

Main Motion: To Approve Ordinance No. 21-040

Moved by:	Combs
Seconded by:	Valerius
Vote:	Unanimous
Action:	Motion Carried

3. Resolution 22-001: Adopting the 2022 City of Palmer Employee Pay Plan

Mayor Carrington opened the public hearing on Resolution No. 22-001.

Mike Coons:

- Spoke in favor of raises and bonuses being based on merit.

Main Motion: To Approve Resolution No. 22-001

Moved by:	Combs
Seconded by:	Valerius
Vote:	Unanimous
Action:	Motion Carried

Primary Amendment #1: To Amend Resolution No. 22-001, by amending the Pay Plan to add \$1.50 COLA

Moved by:	Combs
Seconded by:	Daniels
Vote:	Unanimous
Action:	Motion Carried

Council Member Combs explained the proposed amendment, and discussion followed.

4. Resolution No. 22-002: Adopting the 2022 Fee Schedule for the City of Palmer for the Fiscal Year Beginning January 1, 2022, and Ending December 31, 2022

Mayor Carrington opened the public hearing on Resolution No. 22-002. Seeing no one come forward and hearing no objection from the Council, Mayor Carrington closed the public hearing.

Main Motion: To Approve Resolution No. 22-002

Moved by:	Combs
Seconded by:	Valerius
Vote:	Unanimous

Action: Motion Carried

Primary Amendment #1: To Amend Resolution No. 22-002, with the following changes: Page 141, add under Business Licenses – Late Filing Fee: Special Event License - \$10.00; Page 142, Election fees (remove deposit) Recount Ballet application - \$200.00; Page 147 Add – Online Sales Tax Credit Card Convenience Fee 3%; Page 140 – add Plan Review Fee (4 plex or more residential units and all other non-residential projects) 65% of building permit fee; Page 146 – add shed Permit (up to 320 square feet) - \$26.00

Moved by:	Combs
Seconded by:	Valerius
Vote:	Unanimous
Action:	Motion Carried

5. Resolution 22-003: Adopting the 2022 Fine Schedule for the City of Palmer for the Fiscal Year Beginning January 1, 2022, and Ending December 31, 2022

Mayor Carrington opened the public hearing on Resolution No. 22-003. Seeing no one come forward and hearing no objection from the Council, Mayor Carrington closed the public hearing.

Main Motion: To Adopt Resolution No. 22-003

Moved by:	Valerius
Seconded by:	Combs
Vote:	Unanimous
Action:	Motion Carried

6. Resolution 22-004: Adopting the Five-Year Capital Improvement Program for the Fiscal Year Beginning January 1, 2022, and Ending December 31, 2022

Mayor Carrington opened the public hearing on Resolution No. 22-004. Seeing no one come forward and hearing no objection from the Council, Mayor Carrington closed the public hearing.

Main Motion: To Adopt Resolution No. 22-004

Moved by:	Combs
Seconded by:	Valerius
Vote:	Unanimous
Action:	Motion Carried

Primary Amendment #1: To Amend Resolution No. 22-004, by adding the following items: City Hall Copier and Folding Machine - \$40,000; Comm Dev vehicle - \$24,000; Police vehicle replacements - \$130,000; Fire Vehicle Replacements - \$160,000; PW vehicle replacement - \$96,000; PW street Sweeper - \$335,000; Library Sidewalk - \$70,000; MTA Event center Flooring - \$15,000; MTA Event Center Funding - \$50,000; Resurface Palmer Tennis Courts - \$25,000; Golf Cart Fleet Upgrade - \$30,000; Golf Cart Fleet Upgrade (not spent in 2021) - \$25,000; PW Bobcat - \$91,588; Roads/Utilities Capital Improvement Program -

\$400,000; Plow truck, Airport - \$48,000 – for a total of \$1,539,588

Moved by:	Combs
Seconded by:	Valerius
Vote:	Unanimous
Action:	Motion Carried

7. Resolution No. 22-005: Adopting a Budget for the City of Palmer, Alaska for the Fiscal Year Beginning January 1, 2022, and Ending December 31, 2022, and Appropriating Monies A Code Adopted by Reference.

Mayor Carrington opened the public hearing on Ordinance No. 22-005. Seeing no one come forward and hearing no objection from the Council, Mayor Carrington closed the public hearing.

Main Motion: To Adopt Resolution No. 22-005 as amended

Moved by:	Combs
Seconded by:	Melin
Vote:	Unanimous
Action:	Motion Carried

Primary Amendment #1: To Amend Resolution No. 22-005, by the addition of Roads and Utilities Capital Improvements Program - \$400,000

Moved by:	Combs
Seconded by:	Best
Vote:	Unanimous
Action:	Motion Carried

Primary Amendments #1 through 10: To Amend Resolution No. 22-005, by reducing the following line items: Reduce Council Community Grants leaving a budget of \$12,000, Reduce Travel (Police) leaving a budget of \$10,000; Reduce office equipment (Police) leaving a budget of \$35,000; Reduce office equipment (dispatch) leaving a budget of \$6,000; Reduce subscriptions and Dues (Fire) leaving a budget of \$4,000; Reduce travel (Fire) leaving a budget of \$10,000; Reduce training (Fire) leaving a budget of \$12,500; Reduce operating supplies (Public Works) leaving a budget of \$17,500; and Reduce transfer to Fund 53 for Opiate Task Force Officer, savings from 2021 due to position being vacant for 5 months, waiting on officer clearance for 2022.

Moved by:	Combs
Seconded by:	Best
Vote:	Unanimous
Action:	Motion Carried

Primary Amendment #11: To Amend Resolution No. 22-005, by paying off the MTAEC Bond Debt (Years 2023 and 2024) in the amount of \$220,500

Moved by:	Combs
Seconded by:	Valerius
Vote:	Unanimous
Action:	Motion Carried

Primary Amendment #12: To Amend the City Pay Plan with a COLA of \$1.50 in the amount of \$293,692

Moved by:	Combs
Seconded by:	Daniels
Vote:	Unanimous
Action:	Motion Carried

Primary Amendment #13: Due to Primary Amendment #10, changes to Fund 53, reducing transfer from other funds to \$50,983

Moved by:	Combs
Seconded by:	Valerius
Vote:	Unanimous
Action:	Motion Carried

Primary Amendment #14: Due to Covid delays the garbage truck which was to be delivered in December will not be delivered until February 2022, appropriating funds in 2022 for the new garbage truck in the amount of \$352,000

Moved by:	Combs
Seconded by:	Daniels
Vote:	Unanimous
Action:	Motion Carried

I. UNFINISHED BUSINESS

J. NEW BUSINESS

1. **Action Memorandum No. 21-068:** Authorizing the City Manager to Execute a New Lease Agreement with Lazy Mountain Hangar, LLC, on Lease Lot 21, Block 3, Palmer Municipal Airport for the Purpose of Constructing a New Aircraft Hangar

Main Motion: To Approve Action Memorandum No. 21-068

Moved by:	Combs
Seconded by:	Best
Vote:	Unanimous
Action:	Motion Carried

2. **Action Memorandum No. 21-072:** Approving Mayor Carrington's Resignation from Council Seat, Declaring the Seat Vacant, and Begin the Process of Filling the Seat, Based on PMS 2.04.065

Main Motion: To Approve Action Memorandum No. 21-072

Moved by:	Melin
Seconded by:	No Second

Vote:	Failed
Action:	Failed, lack of a second

3. Discussion of PMC 2.30.010, Board of Economic Development Composition

Council discussed the current requirements for the Board and requested that the ad for board members be reposted.

K. RECORD OF ITEMS PLACED ON THE TABLE

L. AUDIENCE PARTICIPATION

Connie Yoshimura:

- Stated her intent to apply for a seat on the Board of Economic Development.
- Commented on the 2020 Census data.
- Stressed the importance of housing as a part of economic development.
- Provided an update of the Cedar Hills Subdivision project.

Mike Coons:

- Commented favorably on the Cedar Hills Subdivision project, and how it would provide additional housing.

Jacki Goforth:

- Provided comment on inaccuracies with the George Floyd issue.

Palmer Police Chief Dwayne Shelton:

- Shared gratitude with the Council on behalf of the Department for the recently approved bonuses.

Mike Chmielewski:

- Commended the City workforce.
- Commented on the meeting schedule for Boards and Committees, and encouraged continuity.

Erik Anderson:

- Congratulated the Mayor and Deputy Mayor on their recent appointments.
- Commented on the natural spring causing flooding on Eagle Street.
- Discussed the Cedar Park Subdivision project.

M. EXECUTIVE SESSION

N. COUNCIL COMMENTS

Council Member Combs:

- Commented on the well-attended Colony Christmas event.
- Thanked the Manager and Staff for a well put together budget.

Council Member Valerius:

- Noted the Eagle Street flooding issue.
- Thanked the budget presenters.
- Thanked city employees for all their hard work.
- Thanked Borough attorney Gatti for his years of service to the city.

Council Member Best:

- Thanked Council members and staff for their hard work on the budget.
- Thanked Attorney Gatti for his years of service to the city.

Council Member Daniels:

- Thanked Attorney for his years of service to the city.
- Suggested placing a caution sign near the flood site on Eagle Street to alert drivers.
- Thanked Mayor Carrington for a well-run meeting.

Council Member Melin:

- Commented favorably on the Colony Christmas event.
- Noted the importance of investing in the city workforce.

O. ADJOURNMENT

With no further business before the Council, the meeting adjourned at 8:18 p.m.

APPROVED this ____ day of January, 2022.

Shelly M. Acteson, CMC, City Clerk

Steve Carrington, Mayor

Mayor's Report for January 25, 2022

Council Seat Vacancy

- Original application deadline was January 7th, 2022, was extended to January 14th, 2022.
- 8 applications were received by the deadline of January 14th, 2022.
- 2 of the applicants did not meet the 1-year residency qualification (Lucas Michael Romano and Marion Fry). Information was shared with both about openings with our Boards and Commissions.
- 6 applicants were qualified:
 - Erik Anderson
 - Carolina Anzilotti
 - Linda Combs
 - David Fuller
 - Lee Hendrickson
 - Cynthia Hudgins
- On Tuesday, Jan. 18, 2022, phone interviews were conducted by: Pam Melin, Deputy Mayor; Nicole Degner, Community Development Specialist, and myself.
- Many of the applicants have had many years of political involvement with the City of Palmer.
- I believe now is a good time to move in a new direction. To this end I appoint Carolina Anzilotti to the interim City Council position.

Arctic Symposium Program

- Participated via zoom.
- Hokkaido-Alaska Cooperation Surrounding the Arctic Circle.

Hosted Mayors/Managers Meeting

- January 20th, 2022, at Palmer City Council chamber.

**City of Palmer
Action Memorandum No. 22-009**

Subject: Approving a Council Community Grant to United Way of Mat-Su

Agenda of: January 25, 2022

Council Action: **Approved** **Amended:** _____
 Defeated

Originator Information:

Originator: Mr. John Moosey, City Manager

Department Review:

Route to:	Department Director:	Signature:	Date:
_____	Community Development	_____	_____
_____	Finance	_____	_____
_____	Fire	_____	_____
_____	Police	_____	_____
_____	Public Works	_____	_____

Certification of Funds:

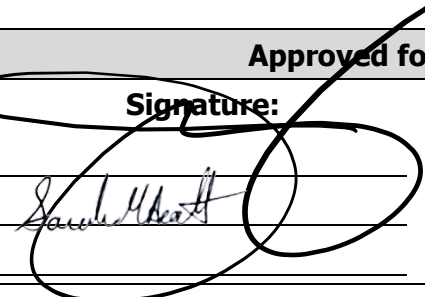
Total amount of funds listed in this legislation: \$ **\$2,500**

- This legislation (√):
- Creates revenue in the amount of: \$ _____
 - Creates expenditure in the amount of: \$ _____
 - Creates a saving in the amount of: \$ _____
 - Has no fiscal impact

- Funds are (√):
- Budgeted Line item(s): _____
 - Not budgeted

Director of Finance Signature: _____

Approved for Presentation By:

	Signature:	Remarks:
City Manager	_____	_____
City Attorney		_____
City Clerk	_____	_____

Attachment(s):

1. Council Community Grant Application

Summary Statement/Background:

The Palmer Arts & Cultural Installation Project will benefit the community by activating and enlivening publicly accessible spaces, inviting visitors and residents to view, discuss and take pride in the invigoration of their town and area, as well as bringing traffic to host sites by attracting visitors through increased "curb appeal". By advancing portions of the City's existing Parks and Recreational Master Plan, this project will support the Council's strategic priorities by continuing to improve and develop local arts and cultural opportunities; enhancing our area's trail systems and connectors, and contributing to the development of art offerings that can be included in future arts/culture plans and efforts.

In February 2014, the City Council adopted Ordinance NO. 14-043, which established the Council Community Grant Program. The City Council approved \$12,000.00 in the Community Council Grants line item for 2022.

Legislation #	Organization	Amount Requested	Remaining	Date Approved
Res 22-005	Beginning Balance-2022 Budget		\$12,000.00	

Administration's Recommendation:

Approve Action Memorandum No. 22-009

Project Name: PALMER ARTS & CULTURAL INSTALL PROJECT

Date Received: 12-30-21

Reviewer Name: JOHN MOOSEY, CITY MANAGER

Date Reviewed: 1-5-22

Has the event previously received City funding? Y N List Years/Amounts:
 If yes, was the Post Event Report completed? Y N

Required Elements:

- Accessible to all members of the community
- Takes place in/within one mile of Palmer City Limits

		Expectations			Points
		10 pts	7 pts.	3-0 pts	
Accessibility & Strategic Priorities	The application clearly states the economic benefits, and the reader/evaluator easily understands the benefits to the community and residents of the city.	The application states the benefits; however, it is not clear and/or the reviewer/evaluator must assume or use reason to determine the benefits to the community and residents of the city.	The application does not clearly demonstrate the benefits and/or the reader/evaluator cannot determine through reasoning the benefits to the community or residents of the city.		8
	The application clearly addresses how the project meets one or more of the City's Economic Development Strategic Priorities.	The application attempts to address how the project meets one or more of the City's Economic Development Strategic Priorities; however, the reviewer/evaluator must assume or use reason to determine how the project is addressing a strategic priority(s).	The application does not clearly demonstrate how the project is addressing a strategic priority and/or the reader/evaluator cannot determine through reasoning how the project is addressing a strategic priority.		8
Fiscal	The application clearly states how much financial or in-kind services are being requested for the project.	The application contains information regarding financial and/or in-kind services as part of the project; however, it is not clear, and the reviewer/evaluator must assume or use reason to determine what is being requested.	The application does not clearly state what is being requested and/or the reviewer/evaluator cannot determine through reasoning.		10
	The application includes a project budget which demonstrates sound fiscal practices and reviewer/evaluator can easily understand.	The application includes a project budget; however, the reviewer/evaluator has questions or must use reason to understand the overall budget for the project.	The application does not include a project budget, or the reviewer/evaluator cannot understand and/or has significant concerns about the budget as presented.		10
Benefit	The application clearly states how the community will benefit because of the event.	The application states the degree of benefits; however, it is not clear, and the reviewer/evaluator must assume or use reason to determine the how the community will benefit because of this grant.	The application does not clearly demonstrate the degree of benefits and/or the reviewer/evaluator cannot determine the how the community will benefit because of this grant.		10
Reporting	The application clearly states how and when the city will receive a post event report on this project.	The application attempts to address how a post event report will be given to the city; however, it is unclear, and the reviewer/evaluator must assume or use reason to determine how and when the report will be presented.	The application does not attempt to address how a post event report will be given to the city or the reviewer/evaluator cannot determine how the report will be presented.		10
				Total:	56



City of Palmer • City Clerk's Office
231 W. Evergreen Avenue • Palmer, AK 99645
Phone: (907) 761-1301 • Fax: (907) 761-1340

Council Community Grant Application

Program Information

Program, service, project, or event title: Palmer Arts & Cultural Installation Project
Date(s) of program, service, project, or event: Spring-Summer 2022

Applicant Information

Name: United Way of Mat-Su
Address: 550 S. Alaska St., Suite 205
City: Palmer State: AK Zip: 99645
Phone: 907-745-5822 Email: give@unitedwaymatsu.org

Organization Information

Name of organization/group: UWMS
Type of organization/group: Non-profit Volunteer group Other: _____

Funding Request

Amount of Request: \$ 2500.00
Matching funds provided by applicant: \$ 5000.00

Type of funds requesting: Cash In-Kind In-Kind Type: _____

Remittance Information

Remit Payment to: United Way of Mat-Su
Address mail check to: 550 S. Alaska St., Suite 205
City: Palmer State: AK Zip: 99645
Phone: 907-745-5822 Email: _____

12/30/21

Eligibility

Describe how your program, service, project or event meets the eligibility guidelines.

The Palmer Arts & Cultural Installation Project's goal is to bring accessible, meaningful public art to the Palmer core area. The Arts Project Advisory Board has selected four outstanding local artists whose work will be permanently installed upon completion, on four locations whose proximity to downtown Palmer will invite residents and visitors alike to engage in conversation, create social connections and enhance the "curb appeal" of our town. In addition, our hope is to continue placing public art around Palmer, using the success of this first phase of the project to sustain momentum behind expanding public arts here.

This project advances one of the priorities detailed in the City of Palmer's Master Plan for Parks, Trails and Recreational Fields, namely the creation and maintenance of a fully publicly accessible art installation(s), enlivening the downtown area with art pieces that reflect Palmer's history, culture, geography and unique characteristics.

By placing objects of interest in strategic spots around Palmer, the project creates opportunity for residents and visitors to take advantage of the town's walking paths and trails, inviting them to view each art piece and encouraging them to patronize the businesses/facilities upon whose grounds each piece is located. These locations include the Alaska Family Services site on Alaska Street (also houses the Family First Treasures Thrift Store and Something Good Grows Community Garden).

Project Summary Information

In the space below, provide a concise, one paragraph summary of your proposed program, service, project or event and how it benefits the community as well as how this supports the Council's strategic priorities.

The Palmer Arts & Cultural Installation Project will benefit the community by activating and enlivening publicly accessible spaces, inviting visitors and residents to view, discuss and take pride in the invigoration of their town and area, as well as bringing traffic to host sites by attracting visitors through increased "curb appeal". By advancing portions of the City's existing Parks and Recreational Master Plan, this project will support the Council's strategic priorities by continuing to improve and develop local arts and cultural opportunities; enhancing our area's trail systems and connectors, and contributing to the development of art offerings that can be included in future arts/culture plans and efforts.

Project Scope of Work

Please list the steps to be taken to conduct the program, service, project or event. Be sure to address issues such as: beginning and ending date, who will work to conduct the event/project, clean-up team, where is the project going to occur (location).

This project was begun in 2020 when United Way of Mat-Su received an AARP Livable Communities grant to establish the project's first steps. Work has continued since as the Art Advisory Board was selected, convened and has stewarded the project through to its current stage, during which our artists and host locations continue to collaborate. Our goal is to complete all four pieces of art and their installation by the Fall of 2022. Artists, the Art Advisory Board, United Way of Mat-Su and our host locations will work together over the winter to finalize concepts for each art piece and plan for breaking ground in the spring. Volunteers will be engaged to assist with groundbreaking and installation of art pieces where practical. Over time, continued collaboration between United Way of Mat-Su, our artists and our host sites will help to keep art installations clean, in good repair and the grounds they are installed upon well-groomed. Signage will be installed by United Way of Mat-Su to credit any sponsors/donors involved with art pieces, as well as to alert passers-by to each location. Locations include Alaska Family Services' site on Alaska Street, Bleeding Heart Brewery in the Matanuska Maid quadrangle, and will be updated as partnerships are finalized for our other two artists.

Community Benefit

Please indicate how the results of your program, service, project or event will enhance economic development or generally benefit the city of Palmer. Describe the expected number of participants to be attracted by the event or project. Please explain how your organization will evaluate the community benefit of your event. Examples might include surveys, registrations, sign-in sheets, number of people served, etc.

By placing permanent public art in and around the Palmer core, this project aims to enhance Palmer by increasing livability, "curb appeal", and the overall cultural atmosphere of the town. This project directly addresses a top priority in the city's Master Plan for Parks, Trails and Recreational Fields at little to no cost to the City, and brings no-cost benefits to the sites upon which the art pieces will be placed.

We estimate that, over time and given that art installations are permanent, all Palmer residents will have the opportunity to view and engage with art pieces. Additionally, 50-70% of visitors to Palmer will drive, walk, bike, or otherwise travel past these art pieces.

Ongoing communication and collaboration with our host sites, the Palmer Museum of History and Art, and our artists will ensure regular assessment of the number of visitors/residents viewing the art, allow problem-solving should any issues arise, and give a good sense of how each location, as well as the city as a whole, continues to benefit from public art.

We anticipate that numbers of participants will be fluid but consistent, with higher numbers of visitors/tourists engaging with the project during the spring and summer months, and higher numbers of local residents in the fall and winter.

This project will only grow in benefit over time, and we are excited to watch its completion and evolution.

Detailed Budget

Revenue:

Source:	Cash	In-Kind	Total
AARP Grant	\$ 5000	\$	\$ 5000
Palmer Museum	\$	\$ 1000.00	\$ 1000.00
UWMS	\$	\$ 5000.00	\$ 5000.00
Private donations	\$ 650.00	\$	\$ 650.00
	\$	\$	\$
	\$	\$	\$
	\$	\$	\$
Totals	\$ 5650.00	\$ 6000.00	\$ 11650.00

Expenditures:

Item/Service:	Cash	In-Kind	Total
Artist Stipends	\$ 5000.00	\$	\$ 5000.00
Materials/Supplies	\$ 5000.00	\$	\$ 5000.00
Installation Costs	\$ 2500.00	\$	\$ 2500.00
Staffing	\$ 2500.00	\$ 5000.00	\$ 7500.00
Marketing/Collateral	\$ 1000.00	\$ 1000.00	\$ 2000.00
	\$	\$	\$
	\$	\$	\$
Totals	\$ 16000.00	\$ 6000.00	\$ 22,000.00

Matching Funding Source

Describe source of matching funding. Have alternate sources of funding been explored?

Matching funding has been secured from the Palmer Museum of History and Art, in the form of marketing and inclusion in the Palmer Visitors Guide.

United Way of Mat-Su has and continues to provide in-kind support for the project, having already dedicated over 250 hours of staff time to coordinate, organize and steward the project from its inception.

United Way of Mat-Su continues to seek additional funding to complete work on this project.

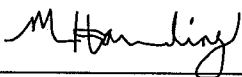
Post Event Report

Describe how you propose to provide a post-event report with details on the economic impact, how funding was spent on the sole purpose for which it was awarded, and if any unspent money is to be returned to the city (provide an expected date).

As art pieces are installed and made viewable, each will garner its own unveiling, which may occur at a time convenient for both the artist and the host location. These individual unveiling events will serve as after-action for each piece separately.
Additionally, United Way of Mat-Su will work with host locations to maintain information on public traffic as related to viewing art pieces, and gather feedback from those locations on increases in visibility and revenue as a result of participation in the project.
A detailed final budget will be provided including expenditures/funds received.

Applications may be submitted at any time to the address listed above. Please allow at least six weeks lead time for application review and City Council agenda scheduling.

Applicant signature:



Date:

12/21/2021

For Office Use Only

Date received by City Clerk's Office:

City Council agenda date:

Action Memorandum No.:

City Council:

Approved Denied

Amount Approved:

\$ _____

Date applicant notified of request outcome:

I-9 Form Submitted (for taxable organizations only):

City of Palmer
Action Memorandum No. 22-010

Subject: Approving a Council Community Grant to Who Let The Girls Out

Agenda of: January 25, 2022

Council Action: **Approved** **Amended:** _____
 Defeated

Originator Information:

Originator: Mr. John Moosey, City Manager

Department Review:

Route to:	Department Director:	Signature:	Date:
_____	Community Development	_____	_____
_____	Finance	_____	_____
_____	Fire	_____	_____
_____	Police	_____	_____
_____	Public Works	_____	_____

Certification of Funds:

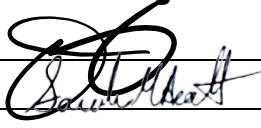
Total amount of funds listed in this legislation: \$ 2,500

- This legislation (√):
- Creates revenue in the amount of: \$ _____
 - Creates expenditure in the amount of: \$ _____
 - Creates a saving in the amount of: \$ _____
 - Has no fiscal impact

- Funds are (√):
- Budgeted Line item(s): _____
 - Not budgeted

Director of Finance Signature: 

Approved for Presentation By:

	Signature:	Remarks:
City Manager	<u></u>	_____
City Attorney	_____	_____
City Clerk	_____	_____

Attachment(s):

1. Council Community Grant Application

Summary Statement/Background:

Who Let the Girls Out is an annual event aimed to help support local brick and mortar businesses and restaurants in Palmer. During WLTGO weekend, business owners agree to create specials, giveaways, demonstrations, live music, and much more to draw in the large crowd of shoppers the event brings to Palmer. We distribute an event map, business guide, and stamp passport — providing shoppers the tools they need to support local business in a fun and engaging way!

In February 2014, the City Council adopted Ordinance NO. 14-043, which established the Council Community Grant Program. The City Council approved \$12,000.00 in the Community Council Grants line item for 2022.

Legislation #	Organization	Amount Requested	Remaining	Date Approved
Res 22-005	Beginning Balance-2022 Budget		\$12,000.00	

Administration’s Recommendation:

Approve Action Memorandum No. 22-010.

Project Name: WHO LET THE GIRLS OUT

Date Received: 12.30.21

Reviewer Name: JOHN MOOSEY

Date Reviewed: 1.2.22

Has the event previously received City funding? Y N List Years/Amounts: NOT in 2021
 If yes, was the Post Event Report completed? Y N BUT PREVIOUS

Required Elements:

- Accessible to all members of the community
- Takes place in/within one mile of Palmer City Limits

		Expectations			Points
		10 pts	7 pts.	3-0 pts	
Accessibility & Strategic Priorities	The application clearly states the economic benefits, and the reader/evaluator easily understands the benefits to the community and residents of the city.	The application states the benefits; however, it is not clear and/or the reviewer/evaluator must assume or use reason to determine the benefits to the community and residents of the city.	The application does not clearly demonstrate the benefits and/or the reader/evaluator cannot determine through reasoning the benefits to the community or residents of the city.		10
	The application clearly addresses how the project meets one or more of the City's Economic Development Strategic Priorities.	The application attempts to address how the project meets one or more of the City's Economic Development Strategic Priorities; however, the reviewer/evaluator must assume or use reason to determine how the project is addressing a strategic priority(s).	The application does not clearly demonstrate how the project is addressing a strategic priority and/or the reader/evaluator cannot determine through reasoning how the project is addressing a strategic priority.		10
Fiscal	The application clearly states how much financial or in-kind services are being requested for the project.	The application contains information regarding financial and/or in-kind services as part of the project; however, it is not clear, and the reviewer/evaluator must assume or use reason to determine what is being requested.	The application does not clearly state what is being requested and/or the reviewer/evaluator cannot determine through reasoning.		10
	The application includes a project budget which demonstrates sound fiscal practices and reviewer/evaluator can easily understand.	The application includes a project budget; however, the reviewer/evaluator has questions or must use reason to understand the overall budget for the project.	The application does not include a project budget, or the reviewer/evaluator cannot understand and/or has significant concerns about the budget as presented.		7
Benefit	The application clearly states how the community will benefit because of the event.	The application states the degree of benefits; however, it is not clear, and the reviewer/evaluator must assume or use reason to determine the how the community will benefit because of this grant.	The application does not clearly demonstrate the degree of benefits and/or the reviewer/evaluator cannot determine the how the community will benefit because of this grant.		10
Reporting	The application clearly states how and when the city will receive a post event report on this project.	The application attempts to address how a post event report will be given to the city; however, it is unclear, and the reviewer/evaluator must assume or use reason to determine how and when the report will be presented.	The application does not attempt to address how a post event report will be given to the city or the reviewer/evaluator cannot determine how the report will be presented.		10
				Total:	57

12th Annual Spring-Fling Event!

ALL AROUND PALMER!

Who Let the Girls Out?



FOOD & DRINKS

CONTESTS & GAMES

SALES & GIVEAWAYS

LIVE MUSIC & ENTERTAINMENT

MUCH MORE!



April 29 & 30, 2022



5K RUN | TALENT SHOW | FASHION SHOW | DEALS & SPECIALS | GIVEAWAYS | MUSIC & ENTERTAINMENT



Council Community Grant Application

Program Information

Program, service, project, or event title: _____

Date(s) of program, service, project, or event: _____

Applicant Information

Name: _____

Address: _____

City: _____ State: _____ Zip: _____

Phone: _____ Email: _____

Organization Information

Name of organization/group: Who Let the Girls Out

Type of organization/group: Non-profit Volunteer group Other: _____

Funding Request

Amount of Request: \$ _____

Matching funds provided by applicant: \$ _____

Type of funds requesting: Cash In-Kind In-Kind Type: _____

Remittance Information

Remit Payment to: _____

Address mail check to: _____

City: _____ State: _____ Zip: _____

Phone: _____ Email: _____

Eligibility

Describe how your program, service, project or event meets the eligibility guidelines.

Project Summary Information

In the space below, provide a concise, one paragraph summary of your proposed program, service, project or event and how it benefits the community as well as how this supports the Council's strategic priorities.

Project Scope of Work

Please list the steps to be taken to conduct the program, service, project or event. Be sure to address issues such as: beginning and ending date, who will work to conduct the event/project, clean-up team, where is the project going to occur (location).

Community Benefit

Please indicate how the results of your program, service, project or event will enhance economic development or generally benefit the city of Palmer. Describe the expected number of participants to be attracted by the event or project. Please explain how your organization will evaluate the community benefit of your event. Examples might include surveys, registrations, sign-in sheets, number of people served, etc.

Detailed Budget

Revenue: Revenue and expenditures listed below were pulled from WLTGO 2021.

Source:	Cash	In-Kind	Total
_____	\$ _____	\$ _____	\$ _____
_____	\$ _____	\$ _____	\$ _____
_____	\$ _____	\$ _____	\$ _____
_____	\$ _____	\$ _____	\$ _____
_____	\$ _____	\$ _____	\$ _____
_____	\$ _____	\$ _____	\$ _____
_____	\$ _____	\$ _____	\$ _____
Totals	\$ _____	\$ _____	\$ _____

Expenditures:

Item/Service:	Cash	In-Kind	Total
_____	\$ _____	\$ _____	\$ _____
_____	\$ _____	\$ _____	\$ _____
_____	\$ _____	\$ _____	\$ _____
_____	\$ _____	\$ _____	\$ _____
_____	\$ _____	\$ _____	\$ _____
_____	\$ _____	\$ _____	\$ _____
_____	\$ _____	\$ _____	\$ _____
Totals	\$ _____	\$ _____	\$ _____

Matching Funding Source

Describe source of matching funding. Have alternate sources of funding been explored?

Hello!

Thank you for considering our application for the Council Community Grant for Who Let the Girls Out 2022.

We've attached this letter to clarify some confusion with our grant application last year.

In last year's grant application for Who Let the Girls Out, we listed \$20,100 in cash revenue (from sponsors and participants) with \$18,632 in expenditures (music and entertainment, marketing, giveaways, and other services).

We also listed \$43,000 of "In-Kind" contributions from the participating businesses. This caused some confusion and some people were under the impression we received \$63,100 in total income. *This was not the case.*

"In-Kind" is generally defined as goods or services (as opposed to money). However, the "In-Kind" value that we submitted was NOT money or goods we directly received. We simply asked participating businesses to calculate the amount of goods and services they invested into their unique events during the WLTGO weekend. That's why we included this number as "In-Kind".

Who Let the Girls Out is a HUGE community effort where dozens of local businesses invest time and money into unique events at their locations. They all do specials, giveaways, demonstrations, live music, and much more to draw in the large crowd of shoppers the event brings to Palmer. In previous years' applications, we've quantified that effort into the "In-Kind" column of the application.

In reality, we give far more to the event than we receive, financially speaking. The expenditures we list do *not* include our time spent and payroll for our employees who work on this event for months prior to execution.

This grant money makes the event feasible for us.

Hopefully that clarifies a bit! Feel free to reach out with any questions or concerns.

Thank you for your time and consideration,

**Who Let the Girls Out
MAKE A SCENE Media Company
907-373-2698**

Post Event Report

Describe how you propose to provide a post-event report with details on the economic impact, how funding was spent on the sole purpose for which it was awarded, and if any unspent money is to be returned to the city (provide an expected date).

Applications may be submitted at any time to the address listed above. Please allow at least six weeks lead time for application review and City Council agenda scheduling.

Applicant signature: Joshua Fryfogle

Date: _____

For Office Use Only

Date received by City Clerk's Office: _____

City Council agenda date: _____

Action Memorandum No.: _____

City Council: Approved Denied

Amount Approved: \$ _____

Date applicant notified of request outcome: _____

I-9 Form Submitted (for taxable organizations only): _____

**City of Palmer
Action Memorandum No. 22-011**

Subject: Authorizing the City Manager to Negotiate and Execute a Three-year Brand License Agreement with Matanuska Telephone Association for the MTA Events Center

Agenda of: January 25, 2022

Council Action: **Approved** **Amended:** _____
 Defeated

Originator Information:

Originator: Brad Hanson, Director Community Development

Department Review:

Route to:	Department Director:	Signature:	Date:
_____	Community Development	_____	January 10, 2022
_____	Finance	_____	_____
_____	Fire	_____	_____
_____	Police	_____	_____
_____	Public Works	_____	_____

Certification of Funds:

Total amount of funds listed in this legislation: \$ _____

This legislation (√):

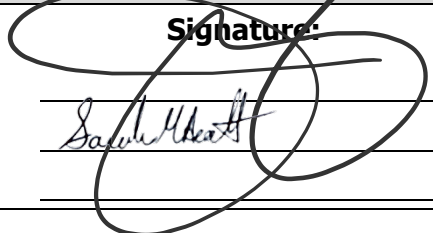
- Creates revenue in the amount of: \$ 20,000.00
- Creates expenditure in the amount of: \$ _____
- Creates a saving in the amount of: \$ _____
- Has no fiscal impact

Funds are (√):

- Budgeted Line item(s): 01-00-00-3005
- Not budgeted _____

Director of Finance Signature: 

Approved for Presentation By:

	Signature:	Remarks:
City Manager	<u></u>	_____
City Attorney	_____	_____
City Clerk	_____	_____

Attachment(s):

1. Brand License Agreement

Summary Statement/Background:

This Brand Licensing agreement is between the city of Palmer and Matanuska Telecom Association, LLC (MTA) and supersedes all other agreements for Brand Licensing at the MTA Events Center. The agreement increases the amount paid by MTA from \$15,000 to \$20,000 annually. It also limits MTA's exclusive use of the arena from four events at two days per event to four days annually. The agreement also specifies MTA's responsibilities to maintain their branding at MTA Events Center. This agreement other than the items identified is the same agreement signed in 2018.

The City and MTA entered into a Brand License Agreement in January 2011 to identify the Event Center as The MTA Events Center. The initial term was five years. MTA agreed to pay the City \$60,000 per year for the naming rights to the facility and exclusive right as the only telecommunications company advertising in the facility. In January 2012, the City and MTA agreed to an amendment to the Branding Agreement, extending the agreement one year (2016), paying the city \$10,000. The 2017 amendment increased Brand License Agreement to the current amount of \$15,000.

On March 27, 2018, the City and MTA entered a three-year term with the option, with mutual consent to extend for three one-year terms for \$15,000 per year.

Approving this Action Memorandum will allow the City Manager to negotiate and execute the Brand Licensing Agreement with MTA and keep the Events Center branded with MTA Events Center through December 31, 2024.

The council with the adoption of the 2022 budget has authorized the payment into a legally binding escrow that will eliminate the 10% cap of exclusive use as part of the grant assurances for bonding allowing Events Center staff to sell advertising and negotiate legacy contracts.

Administration's Recommendation:

Approve Action Memorandum No. 22-011.



+



BRAND LICENSE AGREEMENT

CITY OF PALMER, ALASKA

and

MATANUSKA TELECOM ASSOCIATION, LLC (MTA)

THIS BRAND LICENSE AGREEMENT ("Agreement") is made as of _____ by and between Matanuska Telecom Association, LLC, with its principal place of business at 1740 S. Chugach Street, Palmer, Alaska 99645 (hereinafter referred to as "MTA"), and City of Palmer, with its principal place of business at 231 W. Evergreen, Palmer, Alaska 99645 (herein after referred to as "COP").

The Parties agree to these basic tenants:

MTA is the owner of the MTA name and logo and certain other marks which incorporate such logos, as show on Exhibit "B" hereto.

COP owns and operates the Palmer Ice Rink located at 1317 Kerry Weiland Court, Palmer, Alaska 99645 ("Facilities").

The Parties desire to enter into an agreement whereby the Facilities shall be Identified under a brand determined as provided In Section 1.1(a) In the definition of "Brand".

COP recognizes the vital Importance of protecting MTA's exclusive and valuable rights In and to the MTA name and logo and the goodwill it symbolizes.

ARTICLE I - Definitions

1.1 For purpose of this Agreement, the following terms shall be defined as follows:

- (a) "Brand" means such trademark and/or branding which incorporates the Mark (as hereafter defined) on the COP Facility as mutually agreed upon by the Parties in Exhibit B. For the purpose of this Agreement the brand is Matanuska Telecom Association and/or MTA.
- (b) "Facility" or "Facilities" means the Palmer Ice Rink building to Include, inside and outside of the building and parking lot.
- (c) "License Mark" or "Mark" means - MTA Events Center, and logo as set forth in Exhibit B which is incorporated by reference.
- (d) "Party" means MTA or COP. MTA and COP are collectively referred to herein as the "Parties".
- (e) "Initial Term" means the period commencing on the Effective Date and expiring on the third anniversary thereof.
- (f) "Renewal Term" means any extension of the term after the initial term pursuant to Section 2.2 of this Agreement.
- (g) "Anniversary" of this Agreement means at the end of three (3) years.

ARTICLE II - Grant of License

2.1 Grant. Subject to the terms and provisions set forth in this Agreement, MTA hereby grants to COP, and COP hereby accepts, a nonexclusive, non-transferable, non-assignable license royalty free, to use the Mark during the Term solely in connection with the marketing of the Facilities, but only as incorporated into, or used in conjunction with, the Brand.

2.2 Term. The initial Term of this Agreement shall be for a period of three (3) years commencing from the later of _____ "Effective Date". The parties may mutually agree to extend this written agreement beyond the initial term for up to 3 additional years.

2.3 Limitations of Use. COP has no right to, nor shall it use the Mark as shown in Exhibit B, except for the marketing the Facilities or otherwise approved by MTA.

2.4 Limitation on Licensing. During the Term, MTA reserves and shall have the right to grant to any other person or entity the right to use the mark in conjunction with the Facility.

2.5 Use of Other Marks. During the Term of this Agreement, neither COP nor any subsidiary or affiliate of COP will use any mark or name except the Mark on the Facilities or in connection with advertising or promotional materials for the Facilities, except as approved in writing by MTA.

ARTICLE III - Quality Control

3.1 Quality Control; Inspections; Approvals. In order to protect the goodwill and reputation associated with the Mark, COP covenants, agrees, represents and warrants as follows, at a minimum that:

- (a) All related advertising, labels, publicity materials, and promotional materials used by COP in connection with the Facilities; the Brand shall conform to the standards agreed upon in Exhibit B. COP shall require all users and renters of the Facility to incorporate the brand as provided to them by COP in all promotional materials, including, but not limited to flyers, brochures, electronic advertising, print advertising, and press releases. Advertising examples will be provided to MTA upon request.
- (b) Notwithstanding any other provision in this Agreement, MTA shall have no liability to COP or third parties with respect to the management of the Facilities by COP, its agents, contractors or sub-contractors or its customers.
- (c) All rental use of the Facility shall exclude sexually suggestive or explicit products or activities.
- (d) Upon request, COP shall allow MTA to inspect Facilities.
- (e) COP shall submit to MTA, without charges, for inspection and approval by MTA, a sample of each advertisement, publicity or promotional material that uses the Mark or the Brand. COP shall not use any advertisement, package, label, tag, publicity or promotional material for the Facilities using the Brand, the Mark or the MTA name, which has not been approved by MTA in writing.
- (f) COP shall not have personality or celebrity endorse or promote the Facility unless and until it obtains a signed release with a clause stating that the celebrity shall not promote any other telecommunications company or a company that is in competition with MTA.
- (g) COP's policy of the use and maintenance of the Facility shall be of the highest standard and shall in no manner reflect adversely upon the good name of the MTA or upon the goodwill and reputation associated with the Marie.
- (h) The Parties shall use their reasonable best efforts to promptly handle any requests for approvals required under this Agreement (for example, approvals under Section 5.2; but excluding, without limitation, amendments to this Agreement). Unless the Parties agree otherwise, response to requests for approval must be given within ten (10) business days from the date of request. Lack of such response within ten (10) business days from the date of the second notice of such request (which second request shall not be given to ten (10) business days from the date of the first request) shall constitute approval of the request.

ARTICLE IV – Ownership of the Mark

4.1 Ownership of the Mark. COP acknowledges and agrees that:

- (a) COP shall acquire no ownership rights in or to the Mark by virtue of this Agreement or otherwise and all use by COP of the Mark shall be deemed to inure to the benefit of MTA.
- (b) COP shall not, during the Term or at any time thereafter, directly, or indirectly, contest or aid in contesting MTA's ownership of the Mark or the validity of the Mark.
- (c) COP shall not, during the Term or at any time thereafter, do anything inconsistent with or which impairs MTA's ownership of or the validity of the Mark.

4.2 Cooperation in Enforcing Ownership Rights. At MTA's request, COP will cooperate fully, at MTA's expense, in confirming, perfecting, preserving and enforcing MTA's rights in the Mark.

4.3 Unauthorized Use. COP agrees to notify MTA of any unauthorized use, or other infringement by other persons relating to the Brand or the Mark promptly after it comes to COP's express knowledge. MTA agrees to notify COP of any unauthorized use, unfair competition or other infringement by other persons relating to the Brand promptly after it comes to MTA's attention. The Parties shall have the right to determine what action, if any, will be taken to remedy any infringement(s) of or related to their respective name or logos or other intellectual property rights, either standing alone or as incorporated in the Brand. The Parties shall not take any action with respect to such infringements of the other Party's name or logos or other intellectual property, standing alone, without the prior written consent of the Party. Notwithstanding the foregoing, the Parties agree to cooperate in good faith in determining what action to take regarding any infringement of the Brand.

ARTICLE V – Additional Obligation of COP

5.1 Marketing. COP agrees to use its reasonable best efforts, consistent with its past practices and past financial expenditures, for marketing, advertising, promoting and publicity for the Brand.

5.2 When and if available, MTA shall have exclusive right to stream events live over the internet for events at the Facility. All broadcast games would be on a delayed basis.

5.3 Approval of Formats. COP shall use the Mark only in the composition, lettering, logos, print styles, forms and formats which have received the prior written approval of MTA.

5.4 Insurance Coverage. During the Term, COP shall obtain and maintain from a reputable insurance carrier liability insurance with limits not less than \$1,000,000 (U.S. dollars) (per person, per injury) in order to protect and insure MTA and COP against any claims or liabilities with which either or both of them may be charged because of personal injuries or injuries suffered by any person or entity, resulting from the use of the Facilities, whether during the Term or thereafter. MTA shall be named in the policy of such insurance as an additional insured and such policy shall provide that the insurance cannot be cancelled without the insurer giving MTA written notice thereof at least thirty (30) days prior to the effective date of the cancellation and that the insurance covers the contractual liability of COP to MTA under the provisions of paragraph 5.5 below. COP shall maintain such insurance in full force and effect throughout the Initial Term and for a Discovery Period of two (2) years after the termination date of the Agreement. Within ten (10) days after the term of this Agreement begins and on the first day of each year thereafter, COP shall deliver to MTA a certificate of insurance showing evidence of coverage. The insurance described in this Section shall be primary and shall not be subject to contribution by any other insurance, which may be available to MTA.

5.5 Indemnity. COP agrees to indemnify MTA and its affiliates, directors, officers, employees and agents and hold them harmless from and against any and all claims, demands, actions, liabilities, damages, losses, costs and

expenses (including reasonable attorney's fees) (collectively, "Damages") arising out of or resulting from or in connection with COP's (1) performance or non-performance of Its obligations under this Agreement; or (2) negligent or willful acts or omissions (or such actions or omissions of COP's agents, employees, contractors, or consultants). This Section shall survive the expiration, termination, breach or alleged breach of this Agreement.

ARTICLE VI – MTA's Obligations

6.1 MTA shall pay COP twenty thousand (\$20,000) annually for naming rights to the Facility and for the exclusivity to MTA as the only telecommunications company advertising In the Facility, as outlined in Exhibit A.

6.2 Indemnity. MTA agrees to indemnify COP and its directors, officers, employees and agents and hold them harmless from and against any and all Damages arising out of or resulting from or in connection with MTA's (1) performance or non-performance of its obligations under this Agreement; or (2) negligent or willful acts or omissions of MTA (or such acts or omissions of MTA's agents, employees, contractors, or consultants). This Section shall survive the expiration, termination, breach or alleged breach of this Agreement.

ARTICLE VII – Breach, Default and Termination

7.1 Termination of Cause. Either Party may terminate this Agreement at any time If the other defaults in the performance of any of its obligations under this Agreement and fails to cure such default as set forth in this Agreement. In such event, the party declaring the default shall provide the other Party ("Recipient") with written notice thereof setting forth the nature of the default, and;

- (a) Recipient shall have thirty (30) days from the date of the notice to cure a default (other than a default described' in Section 7 .l(b)), provided; however, that If the nature of the alleged fault is such that it cannot reasonably be cured within thirty (30) days, the Recipient may cure such default by commencing in good faith to cure such default promptly after Its receipt of such written notice and prosecuting the cure of such default to completion with diligence and continuity within a reasonable time thereafter; or
- (b) In the event COP shall at any time breach or be in default of any of the provisions set forth in Section

3.l(a) -(h) of this Agreement. COP shall have thirty (30) business days from receipt of MTA's notice to COP of such Quality Default to cure it; provided however, MTA may terminate this Agreement immediately without providing COP an opportunity to cure, upon the third Quality Default In any three (3) year period.

7.2 Termination in Event of Bankruptcy, etc. This Agreement shall terminate automatically upon notice to a Party, in the event that with respect to such Party; (a) there Is an expropriation, confiscation or nationalization by any government of a substantial portion of its assets or property; (b) it becomes insolvent; (c) It seeks relief as a debtor under any applicable bankruptcy law or other law relating to the liquidation or reorganization of debtors or to the modification or alteration of the rights of creditors or consents to 01 acquiesces in such , relief, (d) It makes an assignment for the benefit of, or enters Into a composition with, its creditors; (e) it appoints or consents to the appointment or receiver or other custodian for all or a substantial part of its assets or property; (f) a petition seeking to have it declared or adjudicated bankrupt or insolvent under any applicable bankruptcy or similar law is not dismissed within sixty (60) days after filings; (g) an order or judgment is entered by a court of competent jurisdiction for relief against It in any case commenced under any bankruptcy or similar law or finding It to be bankrupt or insolvent or ordering or approving its liquidation, reorganization or any modification of the rights of Its creditors or appointing a receiver; guardian or other custodian for all or a substantial part of its assets or property; or (h) it admits its inability to pay Its debts when due.

7.3 No Waiver of Right to Terminate. Either Party's failure to exercise or delay in exercising its right of termination hereunder for any one or more causes shall not be deemed to prejudice its right of termination for such cause(s) or for any other subsequent cause. Termination or expiration of this Agreement for any reason whatsoever shall not relieve the Parties from their respective obligations accruing hereunder upon or prior to such termination or expiration.

7.4 Certain Obligations upon Termination or Expiration. Upon any expiration or termination of this Agreement; COP shall, at its expense, within thirty (30) days following the date of such expiration or termination (Transition Period) remove from, and by the end of the Transition Period shall have ceased to use or display in any manner the Brand or the Mark Inside the Facilities, in connection with the Facilities or any label, equipment, advertising or promotional medium of any kind whatsoever, or any other document, device or medium; unless the Parties expressly agree otherwise. MTA shall be responsible to remove any signage outside the Facilities.

7.5 Arbitration. The Parties agree to resolve any dispute hereunder through good faith negotiations. Accordingly, the Parties agree that any dispute or claim (collectively, "Disputes") arising out of or in connection with this Agreement shall be settled by binding arbitration in Palmer, Alaska (or such other location as the Parties may agree) under the rules then prevailing of the American Arbitration Association by one arbitrator appointed in accordance with those rules. The arbitrator shall be chosen from a panel of arbitrators with knowledge relevant to the subject matter of the Dispute. The arbitrator shall apply Alaska law to the merits of any Dispute without reference to such state's conflicts of law rules. Judgment on the award rendered by the arbitrator may be entered in any court having jurisdiction thereof. The prevailing Party shall be entitled to recover, in addition to any other relief awarded or granted, its incurred costs and expenses including, but not limited to, reasonable attorneys' fees.

ARTICLE VIII – Miscellaneous Provisions

8.1 No Agency. Nothing in this Agreement shall create a partnership, joint venture or establish the relationship of principal and agent or any other relationship of a similar nature between the Parties. In all transactions regarding the Facilities or the Brand, COP shall assume sole responsibility for any commitments, obligations and representations made by it in connection with the manufacture, marketing, use or advertising thereof.

8.2 Entire Agreement. This Agreement constitutes the entire agreement between the Parties hereto pertaining to the subject matter hereof and supersedes all prior agreements, understandings, letters of intent, negotiations, and discussions, whether oral or written, of the Parties, pertaining to such subject matter. No amendment, supplement, modification, or waiver of this Agreement shall be binding, unless it is set forth in a written document signed by the Parties. No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provision (whether or not similar) nor shall such waiver constitute a continuing waiver, unless otherwise expressly provided in a written document signed by the Parties hereto.

8.3 Binding Nature of Agreement. Subject to Article 2 above, this Agreement shall be binding upon and inure to the benefit of the Parties and their respective successors and assigns.

8.4 Governing Law. This Agreement shall be constructed in accordance with laws of the State of Alaska and the City of Palmer without regard to conflict of laws principles.

8.5 Headings. The headings and captions contained in this Agreement are for convenience of reference only and in no way define, limit, or describe the scope or intent of this Agreement or in any way affect the interpretation of this Agreement. Unless the context otherwise specifically requires, words importing the singular include the

plural and vice versa. The term "hereunder", "hereto", "herein" and similar terms relate to this entire Agreement and not to any particular paragraph or provision of this Agreement.

8.6 Voluntary Nature of Agreement. This Agreement has been entered into after negotiation and review of its terms and conditions by the Parties under no compulsion to execute and deliver a disadvantageous agreement. The Agreement incorporate provisions, comments and suggestions proposed by both Parties. No ambiguity or omission in this Agreement shall be construed or resolved against either Parties on the ground that this Agreement or any of its provisions was drafted or proposed by the Party.

8.7 Notices. All notices or other communication which are required, or which may be given under the provisions of this Agreement shall be in writing and shall be hand-delivered or mailed certified or registered mail, postage prepaid, as follows:

To: Matanuska Telecom Association, LLC
1740 S. Chugach Street
Palmer, Alaska 99645
Attention: Contract Administrator
Fax: 907-761-2540
E-mail: mta-contracts@mta-telco.com

To: City of Palmer
231 W. Evergreen Ave.
Palmer, Alaska 99645
Attention: Director, Public Works
Fax: 907-745-0930

Either Party may change its address for notice by written notice to that effect given to the other Party in accordance with this Section. All notices shall be effective upon actual receipt (or refusal) at the address specified.

8.8 Remedies. Except where otherwise specifically referenced in this Agreement as an exclusive remedy, the Parties hereto shall have all remedies available at law or in equity, which remedies shall be cumulative and nonexclusive, and in addition shall be entitled to such restraining orders, injunctions, specific performance, protective orders, or similar remedies as may be appropriate.

8.9 Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Faxed signatures will be accepted, provided the originally signed documents are delivered on the following business day.

8.10 Compliance with Law. MTA shall be familiar with and at all times comply with and observe all applicable federal, state and local laws, ordinance, rules, regulations, and executive orders, all applicable safety orders, all orders or decrees of administrative agencies, courts, or other legally constituted authorities having jurisdiction or authority over.

ARTICLE IX – Representation, Warranties and Covenants of Licensor

9.1 Title to the Licensed Marks, MTA represents and warrants that:

- (a) MTA has good title to the Licensed Marks and has the right to grant the licenses provided for hereunder in accordance with the terms and conditions hereof, free of any liabilities, charges, liens, pledgers, mortgages, restrictions, adverse claims, security interests, rights of others, and encumbrance any kind (collectively, "Encumbrances"), other than Encumbrances which will not restrict or interfere in any material respect with the exercise by COP of the rights granted to COP hereunder.
- (b) There is no claim, action, proceeding or other litigation pending or, to the knowledge of Licensor, threatened with respect to MTA's ownership of the Licensed Marks or which, if adversely determined, would restrict or otherwise interfere in any material respect with the exercise by COP of the rights purported to be granted to Licensee hereunder.

Except as expressly provided elsewhere in this document, MTA makes no representation or warranty of any kind or nature whether express or implied with respect to the Licensed Marks (including freedom from the third-party infringement of the Licensed Marks).

9.2 Other Licensees. In the event MTA grants to any third party any licenses or rights with respect to the Licensed Marks, MTA shall not, in connection with the grant of any such license or rights, take any actions, or suffer any omission that would adversely affect the existence or validity of the Licensed Marks or conflict with rights granted to COP hereunder.

9.3 Abandonment. Licensor covenants and agrees that, during the term of this Agreement, it will not abandon the Licensed Marks.

ARTICLE X – Representation and Warranties of Both Parties

10.1 Representations and Warranties. Each party hereby represents and warrants to the other party as follows:

- (a) Due Incorporation or Formation; Authorization of Agreement. Such party is a corporation duly organized, a limited liability company duly organized, or a partnership duly formed, validly existing and, if applicable, in good standing under the laws of jurisdiction of its incorporation or formation and has the corporate, company or partnership power and authority to own its property and carry on its business as owned and carried on at the date hereof and as contemplated hereby. Such party is duly licensed or qualified to do business and, if applicable, is in good standing in each of the jurisdictions in which the failure to be so licensed or qualified would have a material adverse effect on its financial condition or its ability to perform its obligations hereunder. Such party has corporate, company or partnership power and authority to execute and deliver this Agreement and to perform its obligations hereunder and this execution, delivery and performance of this Agreement have been duly authorized by all necessary corporate, company or partnership action. Assuming the due execution and delivery by the other party hereto, this Agreement constitutes the legal, valid and binding obligation of such party enforceable against such party in accordance with its terms, subject as to enforceability to limits imposed by bankruptcy, insolvency or similar laws affecting creditors' rights generally and the availability of equitable remedies.
- (b) The City issued general obligation bonds in 2004 (refinanced in 2012) to pay costs of construction of the Facility. Such bonds were issued on a tax-exempt basis under, and pursuant to, the Internal Revenue Code of 1986, as amended. The City has covenanted with bondholders that it will not take any action

which would cause Interest on such bonds to be subject to federal income tax. The terms of this Agreement are subject to the federal income tax restrictions imposed on the City.

IN WITNESS WHEREOF, the Parties hereto, intending to be legally bound thereby, have executed this Agreement by their duly authorized representatives to be effective as of the day and year first above written.

MATANUSKA TELECOM ASSOCIATION LLC	CITY OF PALMER
Name/Title:	Name/Title:
Signature:	Signature:
Date:	Date:

DRAFT

Exhibit A

To

Brand License Agreement

Presentation of Brand

MTA signage on exterior building. MTA is to perform maintenance on the exterior building sign when necessary.

MTA (Lighted) signage entering the parking lot. MTA to perform maintenance on the MTA (Lighted) signage when necessary.

Center ice - MTA logo (updated and provided by MTA to be installed yearly when flooding the ice).

Zamboni or other ice resurfacing machine - MTA logo and/or design (updated and provided by MTA).

Scoreboards (x2)- MTA logo

Concession stand named MTA Café. MTA to provide blackboard for MTA Café sign.

MTA may use the dry floor Facility for up to four (4) days annually, free of cost. MTA may donate the facility to any organization of their choice.

Exhibit B

To

Brand License Agreement

MTA logo

Name of Facility shall be "MTA Events Center". MTA Events Center signage shall be displayed in the interior and exterior of the Facility.

Any future signs or sign upgrades, referencing the Facility shall be new, lighted and at the sole expense of MTA.

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