

Mayor Edna B. DeVries
Deputy Mayor Pete LaFrance
Council Member Julie Berberich
Council Member Steve Carrington
Council Member Linda Combs
Council Member Sabrena Combs
Council Member David Fuller

City Attorney Michael Gatti
City Clerk Norma I. Alley, MMC
City Manager Nathan Wallace

City of Palmer, Alaska
City Council Meeting
June 25, 2019, at 7:00 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. 19-051:** Authorizing the City Manager to Enter Into a Three Year Agreement to Purchase Insurance Coverage with the City's Insurance Broker RISQ Consulting with a 5% Discount for Each Year..... Page 3
 - b. **Action Memorandum No. 19-052:** Authorizing the City Manager to Negotiate and Execute an Assignment and Consent to Assignment of Lease Agreement with CIG, LLC (Assignor) and PAAQ Hangar Association (Assignee) for PMA Lease No. 19-001 on Lease Lot 12, Block 3, Palmer Municipal Airport for the Purpose of Transferring the Lease to a Newly Formed T Hangar Association Page 31
2. Approval of Minutes of Previous Meetings
 - a. May 28, 2019, Special Meeting Page 103
 - b. May 28, 2019, Regular Meeting Page 105

E. COMMUNICATIONS AND APPEARANCE REQUESTS

1. Presentation from Julie Berberich on the Palmer Spring Classic 2019 Bike Event

F. REPORTS

1. City Manager's Report
2. City Clerk's Report
3. Mayor's Report Page 109
4. City Attorney's Report

G. AUDIENCE PARTICIPATION

H. PUBLIC HEARING

1. **Ordinance No. 19-011:** Amending Palmer Municipal Code Sections 2.04.041 and 2.05.030 Establishing Council Member and Mayor Term Limits Page 113
2. **Ordinance No. 19-012:** Amending Palmer Municipal Code Section 1.08.020(A) Penalty Surcharge and Amending the 2019 City of Palmer Fine Schedule to Reflect the New Surcharge Page 117

I. NEW BUSINESS

1. **Action Memorandum No. 19-053:** Directing the City Clerk to Notify the State of Alaska of the City Council's Statement of Non-Objection to Liquor License No. 649 for Klondike Mike's Saloon, Located at 820 S. Colony Way..... Page 121

2. **Action Memorandum No. 19-054:** Accepting Council Member Pete LaFrance’s Resignation, Declaring the Seat Vacant Effective June 26, and Directing the City Clerk to Begin the Appointment Process to Fill the Vacancy Until a Successor is Seated After the October 1, 2019, Regular Election Page 137
3. Election of Alternate Deputy Mayor Page 143

J. RECORD OF ITEMS PLACED ON THE TABLE

K. AUDIENCE PARTICIPATION

L. COUNCIL MEMBER COMMENTS

M. ADJOURNMENT

Tentative Future Palmer City Council Meetings

Meeting Date	Meeting Type	Time	Notes
July 9	Regular	7 pm	
July 23	Regular	7 pm	
Aug 13	Regular	7 pm	
Aug 27	Special	6 pm	Audit Presentation
Aug 27	Regular	7 pm	
Sept 10	Regular	7 pm	
Sept 24	Regular	7 pm	
Oct 7	Special	6 pm	Election Certification
Oct 8	Regular	7 pm	
Oct 22	Special	6 pm	Budget (1 st Public Hearing)
Oct 22	Regular	7 pm	
Oct 29	Special	6 pm	Budget
Nov 5	Special	6 pm	Budget
Nov 12	Special	6 pm	Budget
Nov 12	Regular	7 pm	
Nov 26	Special	6 pm	Budget
Nov 26	Regular	7 pm	
Dec 10	Regular	7 pm	Budget Adoption (Public Hearing)
Dec 24	Regular	7 pm	
Jan 14, '20	Regular	7 pm	

**City of Palmer
Action Memorandum No. 19-051**

Subject: Authorizing the City Manager to Enter Into a Three Year Agreement to Purchase Insurance Coverage with the City's Insurance Broker RISQ Consulting with a 5% Discount for Each Year


Agenda of: June 25, 2019

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


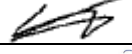

Originator Information:

Originator: City Manager

Department Review:

Route to:	Department Director:	Signature:	Date:
_____	Community Development	_____	_____
√	Finance		06/12/2019
_____	Fire	_____	_____
_____	Police	_____	_____
_____	Public Works	_____	_____

Approved for Presentation By:

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

Certification of Funds:


Total amount of funds listed in this legislation: \$ 414,508.92

This legislation (√):

- Creates revenue in the amount of: \$ _____
- Creates expenditure in the amount of: \$ 414,508.92
- Creates a saving in the amount of: \$ _____
- Has no fiscal impact

Funds are (√):

- Budgeted Line item(s): Various lines
- Not budgeted

Director of Finance Signature: 

Attachment(s):

- RISQ Consulting's APEI proposal

Summary Statement/Background:

The City's Insurance Broker, RISQ Consulting (formerly Alaska USA Brokers), presented the attached proposal to the administration for the renewal of the City's insurance policies for the year beginning July 1, 2019.

The Council approved the insurance policy for July 1, 2018 through June 30, 2019. If the City enters into a three-year agreement with APEI, the City will receive a 5% discount each year. In the 2019/2020 insurance policy, the premium would be reduced by \$21,024.87. The policy would be reduced from \$435,533.51 to \$414,508.92. The City would also receive a 5% longevity credit for the next two years. The exact amount is not available at this time as it is based on the annual quote.

The City has had insurance coverage with excellent service through APEI since 2008.

Administration's Recommendation:

To approve Action Memorandum No. 19-051 Authorize the City Manager to Enter into a Three Year Agreement to Purchase Insurance Coverage with the City's Insurance Broker, RISQ Consulting, with a 5% Discount for Each Year

CITY OF PALMER



Commercial Insurance Proposal

Presented By



Jan Martinson, CMIP
Senior Account Executive/Partner

Spring Ortega, CISR
Senior Account Manager

July 1, 2019 to July 1, 2020

YOUR RISQ CONSULTING SERVICE TEAM

SENIOR ACCOUNT EXECUTIVE/PARTNER

Jan Martinson, CMIP

(907) 365-5108 – Direct Line
jmartinson@risqconsulting.com

Jan aggressively represents your firm in the insurance marketplace and intends to thoroughly acquaint you with coverage proposals and placements. She is responsible to make sure your account is handled to your satisfaction.

CUSTOMER SERVICE REPRESENTATIVE

Spring Ortega, CISR
Senior Account Manager

(907) 365-5115 – Direct Line
sortega@risqconsulting.com

Spring is qualified to help you with service needs, questions, changes in coverage, or problems you may have with your policies. Her goal is your satisfaction.

CLAIMS

Jan or Spring can be called when you have an insurance claim. We can help you with every step of the claim process, from the initial report to staying in contact with the insurance company to make sure your claim is handled in a manner that meets our high standards.

ACCOUNTING

Spring Ortega, CISR
Senior Account Manager

(907) 365-5115 – Direct Line
sortega@risqconsulting.com

CLIENT INFORMATION SHEET

Account Name: City of Palmer

Mailing Address: 231 W. Evergreen Avenue
Palmer, AK 99645

Phone Number: (907) 745-3271

Fax Number: (907) 745-0930

Contacts: Nathan Wallace, City Manager
nwallace@palmerak.org
Direct: (907) 761-1304

Alice Williams, HR/Risk Manager
awilliams@palmerak.org
Direct: (907) 761-1302

Frank Kelly, Airport Superintendent
fkelly@palmerak.org
Direct: (907) 761-1334

RISQ Consulting provides this Insurance Proposal as a working document for easy reference concerning insurance coverage, not as a legal contract. This Insurance Proposal is provided to facilitate your understanding of your insurance program. Please refer to the actual policies for specific terms, conditions, limitations and exclusions that will govern in the event of a loss.

In evaluating your exposures to loss, we have been dependent upon information provided by you. If there are other areas that need to be evaluated prior to binding coverage, please bring these areas to our attention. Should any of your exposures change after coverage is bound, such as your beginning new operations, hiring employees in new states, buying additional property, etc., please let us know so proper coverage can be discussed.

NAMED INSUREDS

City of Palmer

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PREMIUM SUMMARY

COVERAGE	EXPIRING 3 Yr. Agreement 2018-2019	OPTION 1 Without 3 Yr. Agreement 2019-2020	OPTION 2 With 3 Yr. Agreement 2019-2020
Property, Inland Marine, Earthquake & Flood, Crime	\$93,331.66	\$120,965.14 (1)	\$120,965.14 (1)
General Liability, Police Professional Liability, Cyber Liability	\$53,641.02	\$106,494.02 (2)	\$106,494.02 (2)
Auto Liability, UM/UIM, Physical Damage	\$87,207.93	\$91,982.31 (3)	\$91,982.31 (3)
Workers' Compensation	\$102,163.70	\$116,757.52 (4)	\$116,757.52 (4)
APEI PKG TOTAL	\$336,344.31	\$436,198.99	\$436,198.99
APEI Longevity Credit	-\$12,707.80	-\$15,703.20	-\$15,703.20
APEI PKG TOTAL DUE AT BINDING	\$323,636.51	\$420,495.79	\$399,470.92
Airport Owners/Operators Liability	\$8,478.00	\$8,250.00 (5)	\$8,250.00 (5)
Inland Marine	\$6,788.00	\$6,788.00 (6)	\$6,788.00 (6)
TOTAL ESTIMATED ANNUAL PREMIUM	\$338,902.51	\$435,533.79	\$414,508.92

***Longevity Credit:** Reflects the member's loss experience and time with APEI/Pool - Applied at Renewal

(1) Property – Increase due to increases in excess costs and increase in property values. 2018 was a difficult year for worldwide property reinsurance market, with significant number of catastrophes. This combined with a few large Alaska claims in recent years, has resulted in an overall property rate increase.

(2) GL – Increase due to APEI experiencing several significant liability claims in recent years, affecting both school districts and municipal members. These liability claims have penetrated the excess layer, causing concern among the excess carriers for future large claims.

(3) Auto – Increase due to adding 3 2018 Ford Pickups

(4) Work Comp – Increase due to Payroll increasing by \$385,000 and rates going up

(5) IM – Increase due to Carrier rate increase from \$1.20 to \$1.236

Airport Owners & Operators – Premium doesn't include terrorism and/or war coverage, if elected Terrorism only add \$480, if elected Terrorism with War add \$1,440 to above premium. 25% Min Earned Premium, No Flat Cancellations.

Inland Marine - Premium doesn't include Terrorism, if elected add \$204 to above premium, when policy is received there will be a terrorism rejection form to sign and return and credit will be applied.

APEI - 3 Year Agreement results in a 5% reduction (\$21,024.87) to the calculated rates for the next three years, with the understanding that if you leave the program before the three years are up you will be expected to pay back the amount of the discount to the carrier, with interest plus penalties in the amount of 10% of the total premium charged for the last year that the insured was in the program.

PREMIUM CREDITS

Applied to 2019 – 2020

GL: LC and Safety Meetings	\$ 9,260.35
WC: LC Training & Safety Meetings	\$15,921.48
Auto:	\$ 0
Property: LC/Fire Dept./Sprinkler	\$10,595.00
3 - Year Agreement - New, Expires in 2022	\$21,024.87
<u>Longevity Credit</u>	<u>\$15,703.20</u>

Total \$72,504.90

(Gross Premium w/out Credits \$471,976.57)

Applied to 2018 – 2019

GL: LC and Safety Meetings	\$ 4,910.00
WC: LC Training & Safety Meetings	\$14,665.00
Auto:	\$ 0
Property: LC/Fire Dept./Sprinkler	\$ 8,726.00
3 - Year Agreement - Expires in 2019	\$17,149.00
<u>Longevity Credit</u>	<u>\$12,707.80</u>

Total \$58,157.80

Applied to 2017 – 2018

GL: LC and Safety Meetings	\$ 4,462.65
WC: LC Training & Safety Meetings	\$19,369.12
Property: LC/Fire Dept./Sprinkler	\$ 6,291.03
<u>Dividend Credit</u>	<u>\$10,845.71</u>

Total \$40,968.51

Applied to 2016 – 2017

GL: LC and Safety Meetings	\$ 4,293.27
WC: LC Training & Safety Meetings	\$18,567.49
Property: LC/Fire Dept./Sprinkler	\$ 6,583.73
<u>Dividend Credit</u>	<u>\$15,907.04</u>

Total \$45,351.53

PREMIUM SUMMARY – LAST 4 YEARS

COVERAGE	POLICY TERM 2016-2017	POLICY TERM 2017-2018	EXPIRING With 3 Yr. Agreement 2018-2019	OPTION 1 Without 3 Yr. Agreement 2019-2020	OPTION 2 With 3 Yr. Agreement 2019-2020
Property, Inland Marine, Earthquake/Flood, Crime	\$65,761.61	\$71,414.29	\$93,331.66	\$120,965.14	\$120,965.14
General Liability, Police Professional Liability, Cyber	\$36,707.44	\$40,163.81	\$53,641.02	\$106,494.02	\$106,494.02
Auto Liability, UM/UIM, Physical Damage	\$65,462.89	\$81,185.75	\$87,207.93	\$91,982.31	\$91,982.31
Workers' Compensation	\$99,955.00	\$105,854.49	\$102,163.70	\$116,757.52	\$116,757.52
APEI PKG TOTAL	\$267,886.94	\$298,618.37	\$336,344.31	\$436,198.99	\$436,198.99
APEI Longevity Credit	-\$15,907.04	-\$10,845.71	-\$12,707.80	-\$15,703.20	-\$15,703.20
APEI PKG TOTAL DUE AT BINDING	\$251,979.90	\$287,772.66	\$323,636.51	\$420,495.79	\$399,470.92
Airport Owners/Operators Liability	\$7,854.00	\$7,857.00	\$8,050.00	\$8,250.00	\$8,250.00
Inland Marine	\$6,470.00	\$6,470.00	\$6,590.00	\$6,788.00	\$6,788.00
TOTAL ANNUAL PREMIUM	\$275,492.88	\$302,099.66	\$338,276.51	\$435,533.79	\$414,508.92

PROPERTY INSURANCE

Insurance Carrier:	Alaska Public Entity Insurance
Policy Period:	July 1, 2019 to July 1, 2020
Coverage:	All Risk for direct physical damage including earthquake and flood. Subject to policy terms, conditions and exclusions.
Property:	\$200,000,000 Program Limit Shared by all participants
Fine Arts:	\$ 5,000,000 Program Limit Shared by all participants
Earthquake & Flood:	\$ 75,000,000 Program Limit Shared by all participants
Equipment Breakdown:	\$200,000,000 Program Limit Shared by all participants
Location, Limits & Property Covered:	See Attached Schedules for Limits
Co-Insurance:	None
Recovery Basis:	Replacement Cost - Buildings, Contents, EDP
Deductibles:	\$10,000 – Building - Per Occurrence \$10,000 – Earthquake/Flood - Each Claim \$ 5,000 – Contents, EDP, Fine Arts - Each Claim

Yellow highlighted items on the property schedule are values that have increased

CITY OF PALMER PROPERTY SCHEDULE

LOC #	LOCATION	DESCRIPTION	BLDG VALUES	CONTENTS VALUES	OTHER STRUCTURES	TOTAL
1	Tourist Center Restrooms	723 S. Valley Way	\$250,000	\$0	\$0	\$250,000
2/1	Lift Station 1	South Gulkana Street	\$80,000	\$76,000	\$0	\$156,000
2/2	Lift Station 2	South Chugach Street	\$100,000	\$89,000	\$0	\$189,000
2/3	Lift Station 3	South Chugach Street	\$416,950	\$0	\$0	\$416,950
2/4	Lift Station 4	Woodruff Loop SWX	\$60,000	\$130,000	\$0	\$190,000
2/5	Lift Station 5	Mile 35 Glenn Hwy. SWX	\$60,000	\$130,000	\$0	\$190,000
3	A-Moose-Ment Park	West Fern Ave.	\$100,000	\$0	\$0	\$100,000
4	Lift Station 6	Inner Springer Loop SWX	\$60,000	\$110,000	\$0	\$170,000
5	Airport Energy Module Building	901 East Yukon Street	\$60,000	\$100,000	\$0	\$160,000
6	Little League Baseball Complex	North Gulkana Street	\$0	\$0	\$130,000	\$130,000
7	Pressure Reducing Station 1	North Alaska Street	\$20,000	\$12,000	\$0	\$32,000
8	Pressure Reducing Station 2	North Gulkana Street	\$20,000	\$12,000	\$0	\$32,000
9	Soccer Field Bathroom Building	North Gulkana Street	\$100,000	\$0	\$0	\$100,000
10	Sewer Lagoon Equipment Storage	1802 S. Brooks Street	(\$121,750) \$126,690	(\$47,350) \$48,530	\$0	\$175,220
11	Farmers Market Pavilion	South Valley Way	\$50,000	\$0	\$0	\$50,000

LOC #	LOCATION	DESCRIPTION	BLDG VALUES	CONTENTS VALUES	OTHER STRUCTURES	TOTAL
12	Community Center Depot	610 S. Valley Way	(\$1,444,700) \$1,503,360	(\$121,100) \$124,120	\$0	\$1,627,480
13	250,000 Gal. Water Storage Tank	Cedar Hills Subdivision	\$0	\$0	\$15,000	\$15,000
14	1,000,000 Gal. Water Storage Tank	E. Scott Road	\$0	\$0	(\$1,683,070) \$1,751,400	\$1,751,400
15	Airport Office FAA Building	901 East Yukon Street	(\$1,028,570) \$1,070,330	(\$300,000) \$307,470	\$0	\$1,377,800
16	Booster Pump Station	Cedar Hills Drive	\$20,000	\$100,000	\$0	\$120,000
17	Community Development	645 E. Cope Industrial Way	\$156,000	\$106,804	\$0	\$262,804
18	City Hall	231 Evergreen	(\$2,606,100) \$2,711,910	(\$452,330) \$463,590	0	\$3,175,500
19	City Vehicle Maint PPD Car Wash	1316 Bonanza	\$90,440	\$5,000	\$0	\$95,440
20	Equipment Storage (Airport)	800 E. Evergreen	(\$400,000) \$416,240	(\$150,000) \$153,740	\$0	\$569,980
21	Cold Storage Bldg.	Muni Golf Course	\$140,400	\$138,000	\$0	\$278,400
22	Restrooms	645 E. Cope Industrial Way	\$50,762	\$10,000	\$0	\$60,762
23/1	Sewer Lagoon / Lab / Blower Bldg.	1802 S. Brooks Street	(\$533,570) \$555,230	(\$314,540) \$322,370	\$0	\$877,600
23/2	Sewer Lagoon Headworks	1802 S. Brooks Street	(\$1,476,390) \$1,536,330	\$0	\$0	\$1,536,330
23/3	Sewer Lagoon Main Blower Bldg.	1802 S. Brooks Street	(\$503,520) \$523,960	(\$56,660) \$58,070	\$0	\$582,030
23/4	Sewer Lagoon UV Bldg.	1802 S. Brooks Street	(\$1,155,350) \$1,202,260	\$0	\$0	\$1,202,260
24	Tourist Center/Museum	723 S. Valley Way	\$387,421	\$227,500	\$0	\$614,921
25	Equipment Storage	645 E. Cope Industrial Way	\$299,820	\$10,000	\$0	\$309,820
26	Public Works Office	1316 Bonanza	\$180,000	\$157,782	\$0	\$337,782
27	Well House #4 & 5	950 Cope Industrial	\$180,000	\$400,000	\$0	\$580,000

LOC #	LOCATION	DESCRIPTION	BLDG VALUES	CONTENTS VALUES	OTHER STRUCTURES	TOTAL
28	MTA Events Center	1317 Kerry Weiland Way	(\$11,216,130) \$11,671,510	(\$698,580) \$715,980	\$0	\$12,387,490
29	Fire Hall Station 31	717 S. Cobb	(\$1,715,690) \$1,785,350	(\$140,630) \$144,130	\$0	\$1,929,480
30/1	Fire Maintenance Bldg.	645 E. Cope Industrial Way	(\$1,337,000) \$1,391,280	(\$276,600) \$283,490	\$0	\$1,674,770
30/2	Fire Training Classroom	645 E. Cope Industrial Way	\$260,000	\$200,000	\$0	\$460,000
30/3	Fire Training Tower	645 E. Cope Industrial Way	\$130,701	\$2,000	\$0	\$132,701
31	Golf Clubhouse	Muni Golf Course	(\$791,640) \$823,780	(\$81,640) \$83,670	\$0	\$907,450
32	Reservoir Bldg. 250,000 Gal. Tank	12050 E. Scott	\$0	\$0	(\$573,370) \$596,650	\$596,650
33	Library	655 S. Valley Way	(\$4,231,010) \$4,402,790	(\$1,673,660) \$1,715,330	\$0	\$6,118,120
34	Pump house Bldg.	12050 E. Scott	\$75,000	\$250,000	\$0	\$325,000
35/1	Public Safety Bldg. 1 PPD	423 S. Valley Way	(\$2,545,380) \$2,648,720	(\$469,430) \$481,120	\$0	\$3,129,840
35/2	Public Safety Bldg. 2 AST/ DISP	453 S. Valley Way	(\$2,787,750) \$2,900,930	(\$850,000) \$871,170	\$0	\$3,772,100
35/3	Public Safety Comm. Shelter	423 S. Valley Way	\$150,000	\$1,500,000	\$0	\$1,650,000
36	Public Works Equipment Building	1432 S. Bonanza Street	\$401,455	\$1,000,000	\$0	\$1,401,455
37/1	Public Works Equipment Building	1316 Bonanza Street	\$399,750	\$700,000	\$0	\$1,099,750
37/2	Public Works Mech / Shop	1316 Bonanza Street	(\$1,651,270) \$1,718,310	(\$566,450) \$580,560	\$0	\$2,298,870
38	Golf Course Storage	Muni Golf Course	\$91,853	\$0	\$0	\$91,853
39	Church Property	2390 S. Glenn Hwy.	\$175,000	\$0	\$0	\$175,000
40	Public Works Meter Building	1432 S. Bonanza Street	\$29,000	\$75,000	\$0	\$104,000
41	Bugge Park	220 S. Cobb Street	\$0	\$0	\$12,000	\$12,000
42	Hagen Park	201 E. Dolphin Avenue	\$0	\$0	\$3,500	\$3,500

LOC #	LOCATION	DESCRIPTION	BLDG VALUES	CONTENTS VALUES	OTHER STRUCTURES	TOTAL
43	McKechnie Park	643 W. Daron Drive	\$0	\$0	\$19,000	\$19,000
44	Meier Park	325 S. Silver Tip Drive	\$0	\$0	\$3,500	\$3,500
45	Palmer Skateboard Park	231 E. Arctic Avenue	\$0	\$0	\$60,000	\$60,000
46	Wilson Park	1115 S. Felicia Street	\$0	\$0	\$47,000	\$47,000
47	50 Kw Diesel Generator	1802 S. Brooks Street	\$0	\$0	\$79,080	\$79,080
48/1	Aeration Pond #1	1802 S. Brooks Street	\$0	\$0	(\$2,822,930) \$2,937,540	\$2,937,540
48/2	Aeration Pond #2	1802 S. Brooks Street	\$0	\$0	(\$2,822,930) \$2,937,540	\$2,937,540
48/3	Aeration Pond #3	1802 S. Brooks Street	\$0	\$0	(\$4,302,610) \$4,477,300	\$4,477,300
49	Storage Building #1	1802 S. Brooks Street	(\$7,690) \$8,000	(\$2,830) \$2,900	\$0	\$10,900
50	50 Kw Diesel Generator	1802 S. Brooks Street	\$0	\$0	\$79,080	\$79,080
51	Storage Building	1802 S. Brooks Street	(\$7,900) \$8,220	(\$1,320) \$1,350	\$0	\$9,570
52	New Sewer Lagoon Building	1802 S. Brooks Street	\$12,000,000	\$300,000	\$0	\$12,300,000
TOTALS:			\$53,849,752	\$12,198,676	\$13,148,590	\$79,197,018

TOTALS	BUILDING	CONTENTS	OTHER STRUCTURES	INLAND MARINE	TOTAL INSURED VALUES
2018-2019	\$52,155,962	\$12,044,206	\$12,653,070	\$885,042	\$77,738,280
2017-2018	\$39,213,102	\$11,763,586	\$12,343,300	\$317,079	\$63,637,067
2016-2017	\$39,146,552	\$11,364,119	\$12,320,700	\$247,010	\$63,078,381
2015-2016	\$24,703,684	\$13,881,940	\$896,218	\$247,010	\$39,728,852

INLAND MARINE – MOBILE EQUIPMENT

Insurance Carrier: Alaska Public Entity Insurance

Policy Period: July 1, 2019 to July 1, 2020

Coverage: Provides Direct Physical Loss or Damage coverage for scheduled equipment. Subject to policy terms, conditions, and exclusions.

Total Insured Value: \$1,113,826

Coinsurance: 90%

Recovery Basis: Actual Cash Value

Year	Make/Description	Serial Number	Value	Deductible
2006	Caterpillar 140 Grader 520S	CAT043HTAPN00901	\$247,010	\$5,000
2015	John Deere Tractor w/Loader	1LV3038ETEH61076 1POD16XTEX001623	\$21,000	\$5,000
2000	John Deere Backhoe Attachment	LV0047C060210	\$17,531	\$5,000
2017	GAS Sickle Bar Mowing Attachment	GG95D1885	\$5,200	\$5,000
2017	BE-RC5H06 Rotary Cutter Attachment	152405-RC5HDG-Y16	\$2,200	\$1,000
	John Deere Rotary Broom	MOB2756X190584	\$5,000	\$2,500
	John Deere Snow Blower	MO60HDB015133	\$5,000	\$2,500
2018	Ski-Doo Snowmobile	2BPSCFJD0JV000714	\$14,138	\$5,000
	Wausau MP318 Lader MT Blower		\$228,784	\$5,000
2019	Caterpillar 950M Loader	KSA00171	\$266,921	\$5,000
2019	Caterpillar 160ME Motor Grader	CAT0160MEN9E01003	\$301,042	\$5,000

Note: 2017 John Deere Mower, Value \$11,801 missing from above schedule, please advise if we should add it to the schedule.

INLAND MARINE – RADIOS AND LAPTOPS

Insurance Carrier: Allianz Global Corporate and Specialty

Policy Period: July 1, 2019 to July 1, 2020

Coverage: Provides Direct Physical Loss or Damage coverage for scheduled equipment. Subject to policy terms, conditions, and exclusions.

Total Insured Value: \$549,200 – Blanket Limit

Deductible: \$1,000

Recovery Basis: Actual Cash Value

Item Description	Location	Value	Rate
Radios/Laptops	Police and in Vehicles	\$362,600	\$1.236
Radios	Public Works and in Vehicles	\$186,600	\$1.236

Note: 18/19 Rate \$1.20

Subject To: Signed TRIA Form
Updated Schedule of Equipment

CRIME

Insurance Carrier: Alaska Public Entity Insurance

Policy Period: July 1, 2019 to July 1, 2020

Location: City of Palmer

	<u>LIMIT</u>	<u>DEDUCTIBLE</u>
EMPLOYEE THEFT INCLUDING FAITHFUL PERFORMANCE Payment for loss sustained by the insured caused by a dishonest act by an employee.	\$1,000,000	\$2,500
FORGERY AND ALTERATION Covers loss due to dishonesty in writing, signing, or altering checks or other financial instruments.	\$1,000,000	\$2,500
THEFT OF MONEY AND SECURITIES Inside/Outside Premises	\$1,000,000	\$2,500
ROBBERY OR SAFE BURGLARY OF OTHER PROPERTY Inside/Outside Premises	\$1,000,000	\$2,500
OUTSIDE THE PREMISE	\$1,000,000	\$2,500
COMPUTER FRAUD	\$1,000,000	\$2,500
FUNDS TRANSFER FRAUD	\$1,000,000	\$2,500
MONEY ORDERS & COUNTERFEIT PAPER	\$1,000,000	\$2,500

GENERAL LIABILITY

Insurance Carrier: Alaska Public Entity Insurance

Policy Period: July 1, 2019 to July 1, 2020

Coverage: The insurance company agrees to pay those sums that you are legally obligated to pay as damages because of bodily injury and property damage to which the insurance applies. Subject to policy terms conditions and exclusions.

Per Occurrence Limit: (No Aggregate)	General Liability	\$15,500,000
	Water/Sewer Backup Liability	\$15,500,000
	Volunteer Medical Coverage	\$ 50,000

Annual Aggregate Limit:	Public Officials E&O Liability	\$15,500,000
	Law Enforcement Liability	\$15,500,000
	Employment Practices Liability	\$15,500,000
	Employee Benefits Liability	\$15,500,000

Deductibles:	General Liability	\$ 0
	Water/Sewer Backup Liability	\$ 10,000
	Volunteer Medical Coverage	\$ 0
	Public Officials E&O Liability	\$ 0
	Law Enforcement Liability	\$ 10,000
	Employment Practices Liability	\$ 10,000
	Employee Benefits Liability	\$ 0

Audit Frequency: Annual

Specialty Coverages: Cyber Liability - \$2,000,000 Limit, with a \$2,500 Deductible
Public Entity Crime - \$1,000,000 Limit, with a \$2,500 Deductible
Host Liquor Liability

AUTOMOBILE

Insurance Carrier:	Alaska Public Entity Insurance
Policy Period:	July 1, 2019 to July 1, 2020
Coverage:	The insurance company will pay all sums an insured legally must pay for damages as a result of bodily injury or property damage to which the insurance applies, caused by an accident and resulting from the ownership, maintenance or use of a covered auto. Subject to policy terms conditions and exclusions.
Liability Limit:	\$15,500,000 - Bodily Injury/Property Damage
Medical Payments:	Included in limit above
Physical Damage:	Actual Cash Value, Deductible - \$1,000 Aerial Truck Deductible is \$25,000 due to high value
Uninsured/Underinsured Liability:	\$250,000 - Per Occurrence, with \$0 Deductible
Uninsured/Underinsured Physical Damage:	\$ 25,000 – Per Occurrence, with \$250 Deductible
Covered Autos:	See Attached Schedule Non-Owned & Hired Auto Liability
Recovery Basis:	Actual Cash Value
2019-2020 Units	83
2018-2019 Units	81
2017-2018 Units	80

AUTOMOBILE SCHEDULE

Location	Year	Make	Body Type	Insured Value	VIN	Physical Damage Deductible
FD	1974	Seagraves	Fire Truck		D73313	
PW	1977	Ford	Flat Bed Fuel Truck		F37BRY45183-EG-74	
PW	1980	Western Star	8cy Dump Truck		LONFPGJ903927	
PW	1980	White	Sand Truck		LONFPGJ904494	
SWR	1982	Ford	Vactor		1FDYR80U7CVA48222	
PW	1983	Ford	Dump Truck		1FDYU80UXDVA16302	
PW	1983	International	Steam Truck		1HTAA17B9DHB13828	
FD	1984	Spartan	Ladder Truck	550,000	S39RT6C08EC6643672	\$25,000
PW	1986	Ford	F800 Truck		1FDYK87UOGVA34338	
FD	1987	Spartan	Fire Truck	500,000	1S9AT6A0XHC185172	\$25,000
FD	1987	Ford	F-350 Truck		2FTJW36L2HCB03849	
FD	1989	Ford	F-350 Truck		1FDKF38G6KKB51583	
PW	1994	Chevy	C-3500 Flatbed		1GBHC34K1RE307124	
FD	1994	Freightliner	FL70	300,000	1FV6HFAA2RL626582	\$10,000
FD	1994	Pierce	Pumper	500,000	4P1CT02UXRA000560	\$25,000
PW	1994	Chevy	K-2500 Pickup		1GBGK24K9RE305128	
GARB	1995	Ford	Garbage Truck		1FDZW82E5SVA17956	
PW	1996	Chevy	S10 Blazer		1GCDT14X6T8134216	
FD	1997	Ford	Expedition		1FMFU18LOVLC23210	
PW	1998	Chevy	S10 Blazer		1GCDT14XXW8127855	
AP	1998	Ford	Contour		1FAFP66L9WK257185	
PD	2000	Dodge	Ram 1500 Pickup		3B7HF13Z8YG148003	
PW	2000	Dodge	Ram 1500 Pickup		1B7HC162XYSS72934	
CD	2001	Chevy	Silverado C-1500 Pickup		1GCEK19V31E311737	
PW	2001	Chevy	Silverado C-1500 Pickup		1GCEC14V91Z155250	
SWR	2001	Chevy	Silverado C-1500 Pickup		1GCEC14V21Z155302	

Location	Year	Make	Body Type	Insured Value	VIN	Physical Damage Deductible
SWR	2001	Chevy	Silverado C-1500 Pickup		1GCEC14V21Z156207	
PD	2001	Dodge	Ram 2500 Pickup		3B7KF23621G219008	
ADM	2001	Dodge	Durango		1B4HS28Z21F597367	
PW	2002	Chevy	Silverado C-1500 Pickup		1GCEC14T12Z309840	
FD	2002	Chevy	Silverado K-2500 Pickup		1GCHK29U42E228698	
PW	2002	Ford	Explorer		1FMZU72E22UB04977	
PW	2004	Sterling	Elgin Sweeper SC8000		49HAADB54DN04722	
AP	2004	International	Dump Truck 5600i	134,385	IHTXHAXT24JO18709	\$1,000
GARB	2004	Peterbilt	320 Garbage Truck	190,981	1NPZLTOX84D715290	\$1,000
PW	2004	International	4300 Bucket Truck	43,779	1HTMMAAL94H653960	\$1,000
WTR	2005	Chevy	Pickup		1GCEC14T95Z193890	
PW	2005	Chevy	Silverado C-1500 Pickup		1GCEC14T95Z193808	
PD	2005	Ford	Expedition XLT		1FMPU16505LA79067	
FD	2005	Ford	F-550 Fire Truck	200,000	1FDAW57P65EC56104	\$1,000
SWR	2005	International	TN-Vactor Truck	201,000	1HTWDAAR15J044644	\$1,000
PD	2006	Ford	Crown Victoria		2FAHP71W76X160239	
PW	2006	International	7400 SBA 6X4	90,000	1HTWGAATX6J355073	\$1,000
PD	2007	Ford	F-250 Pickup	25,000	1FTSX2152EA65813	\$1,000
SWR	2007	Ford	F-450 Plow & Svc Truck	48,215	1FDXF47P37EA91748	\$1,000
FD	2007	Pierce	Pumper Fire Truck	500,000	4PICC01AX7A007528	\$25,000
PD	2007	Haulmark	Crime Scene Trailer	22,000	16HPB20227H156078	\$1,000
PW	2007	Peterbuilt	Dump Truck	71,000	2NPLLZ9X37M695220	\$1,000
PD	2009	Ford	Crown Victoria	10,000	2FAHP71V59X105445	\$1,000
PD	2009	Ford	Explorer XLT	10,000	1FMEU73E89UA30021	\$1,000
PD	2010	Dodge	Charger	10,000	2B3AA4CT6AH145864	\$1,000
PW	2010	Ford	F-350 Super Duty Truck	20,467	1FTWF3B58AEA90313	\$1,000
PW	2010	Ford	F-350 Super Duty Truck	20,467	1FTWF3B5XAEA90314	\$1,000
PD	2010	Dodge	Charger	20,000	2B3AA4CT0AH303566	\$1,000

Location	Year	Make	Body Type	Value	VIN	Physical Damage Deductible
PD	2010	Dodge	Charger	20,000	2B3AA4CT9AH303565	\$1,000
FD	2011	Chevy	Silverado K-2500 Pickup	40,000	1GC1KVC7BF177701	\$1,000
FD	2011	Chevy	Silverado K-3500 Truck	40,000	1GC5KZCG4BZ262289	\$1,000
PD	2012	Ford	Explorer	35,000	1FM5K8AR3DGA22272	\$1,000
PD	2012	Ford	Explorer	35,000	1FM5K8AR3DGA22273	\$1,000
PD	2013	Ford	Explorer	35,000	1FM5K8AR4DGC40561	\$1,000
PD	2013	Ford	Explorer	35,000	1FM5K8AR6DGC40562	\$1,000
GARB	2013	Peterbilt	320 Garbage Truck	314,138	3BPZL70X8DF193588	\$10,000
PD	2014	Ford	F-350 Super Duty Truck	33,000	1FD8X3B61EEB36290	\$1,000
PD	2014	Ford	F-350 Super Duty Truck	33,000	1FD8X3B63EEB36291	\$1,000
PD	2014	Ford	F-350 Super Duty Truck	33,000	1FD8X3B65EEB36292	\$1,000
PD	2014	Ford	Expedition XL	40,000	1FMJU1G51EEF31536	\$1,000
PD	2014	Ford	Expedition XL	40,000	1FMJU1G53EEF31537	\$1,000
FD	2015	International	Fire Truck	400,000	1HTGSSNT2FH143231	\$10,000
PD	2015	Ford	F-350 Super Duty Truck	33,856	1FTRF3B60FEC26527	\$1,000
PD	2015	Ford	F-350 Super Duty Truck	33,856	1FTRF3B64FEC03364	\$1,000
PD	2015	Ford	Explorer	35,000	1FM5K8AR0FGC66870	\$1,000
PD	2015	Ford	Explorer	35,000	1FM5K8AR7GGD30436	\$1,000
PD	2015	Ford	Explorer	35,000	1FM5K8AR2FGC66871	\$1,000
PD	2016	Ford	Taurus	35,000	1FAHP2MK5GG119398	\$1,000
GARB	2017	Peterbilt	Garbage Truck	330,500	3BPZL0X9HF1714117	\$10,000
FD	2015	Rosenbauer	Cobra Arial Truck	1,200,000	54F3DF1OFWM11278	\$25,000
PD	2017	Ford	Explorer	29,712	1FM5K8AR6HGE00994	\$1,000
PD	2017	Ford	Explorer	29,712	1FM5K8AR8HGE00995	\$1,000
PD	2018	Ford	Explorer	30,504	1FM5K8AR5JGB46619	\$1,000
PD	2018	Ford	Explorer	30,504	1FM5K8AR1JG846620	\$1,000
PD	2018	Ford	F-350 Super Duty Truck	31,620	1FT8X3C67JED02289	\$1,000
PD	2018	Ford	F-350 Super Duty Truck	42,673	1FT8X3B61JED02290	\$1,000
PD	2018	Ford	F-350 Super Duty Truck	40,539	1FT8X3D67JED02288	\$1,000

WORKERS' COMPENSATION & EMPLOYER'S LIABILITY

Insurance Carrier:	Alaska Public Entity Insurance		
Policy Period:	July 1, 2019 to July 1, 2020		
Named State:	Alaska		
Workers' Compensation:	Statutory Benefits		
Employer's Liability:	Bodily Injury by Accident	\$1,000,000	Each Accident
	Bodily Injury by Disease	\$1,000,000	Policy Limit
	Bodily Injury by Disease	\$1,000,000	Each Employee
Subject To:	1.07 2019-2020 Experience Modification		
	1.07 2018-2019 Experience Modification		
	1.27 2017-2018 Experience Modification		
	1.12 2016-2017 Experience Modification		
	1.08 2015-2016 Experience Modification		
Audit Frequency:	Annual		
Estimated Payroll:	\$4,531,000		

WORKERS' COMPENSATION - SPECIFICATIONS

Classification	Code	2018-2019 Estimated Payroll	2018-2019 Base Rate	2019-2020 Estimated Payroll	2019-2020 Base Rate
Street, Road, Maintenance	5509	\$175,000	4.5387	\$178,000	4.7751
Water Works Operations	7520	\$103,000	2.9333	\$105,000	3.1793
Sewage Treatment Operations	7580	\$107,000	3.4684	\$170,000	3.4839
Firefighters and Drivers	7710	\$176,000	4.2315	\$182,000	4.2878
Firefighters, Drivers, Volunteers	7711	\$102,000	4.2315	\$155,000	4.2878
Police/Safety Officers, Volunteers	7720	\$955,000	3.4685	\$1,125,000	3.7884
Police Officer - Reserve	7720R	\$45,000	3.4684	\$45,000	3.7884
Municipal Garage, Retail Fuel Sales	8380	\$125,000	3.7261	\$128,000	3.9833
Clerical, Professional, Elected Officials	8810	\$1,800,000	0.3568	\$1,920,000	0.3289
Building Maintenance, Operations	9015	\$208,000	5.3117	\$172,000	5.3476
Parks, Recreation, Ice Rinks	9102	\$72,000	4.5982	\$75,000	4.3366
Refuse Collectors	9403	\$56,000	5.8567	\$58,000	6.4439
General Municipal Employees Other	9410	\$222,000	3.7558	\$218,000	3.8615
Total Payroll		\$4,322,985		\$4,531,000	

Note: Volunteer Firefighters Assume \$2,000 Payroll X # of Volunteers

AIRPORT OWNERS & OPERATORS GENERAL LIABILITY

Insurance Carrier: Ace Property & Casualty Insurance Company **Best Rating: A+**

Policy Period: July 1, 2019 to July 1, 2020

Coverage: Airport Owners and Operators General Liability coverage, in respect of Bodily Injury, Personal and Advertising Injury and Property Damage combined. Subject to policy terms, conditions and exclusions.

Limits: **\$10,000,000 each Occurrence/Offence in respect to Bodily Injury, Personal and Advertising Injury and INSURED: Property Damage Combined, subject to the following limitations:**

Products-Completed Operations Aggregate	\$10,000,000
Personal Injury and Advertising Injury Aggregate	\$10,000,000
Malpractice Annual Aggregate	\$10,000,000
War, Hi-jacking and other Perils Aggregate	\$10,000,000
Fire Damage Limit Any One Fire	\$ 100,000
Premises Medical Each Person	\$ 5,000

HANGARKEEPERS –NOT IN FLIGHT

Hangarkeepers Limit Each Occurrence	\$10,000,000
Hangarkeepers Limit Each Aircraft	\$10,000,000

NON-OWNED AIRCRAFT LIABILITY \$10,000,000

Deductible: \$0

Noteworthy Exclusions:

Noise
Pollution
Nuclear Risks
Date Recognition
Fungi or Bacteria
Asbestos
Silica or Silica Related Dust

Note: **25% Minimum Earned Premium if you cancel – No Flat Cancellations**

OPTIONAL COVERAGE'S FOR CONSIDERATION

- **POLLUTION LIABILITY** – Provides coverage for cleanup costs due to a “sudden and accidental” discharge of any pollutant.
- **UMBRELLA/EXCESS LIABILITY** – A form of liability insurance that protects you for claims in excess of the limits of your primary automobile, general liability and employer’s liability.



an Acrisure Agency Partner

Notice of Privacy Policy

Our Privacy Principals

- We do not sell customer information.
- We do not provide customer information to persons or organizations outside of our office, except to companies who are doing business on our behalf, for their own marketing purposes.
- We contractually require any person or organization providing products or services to customers on our behalf to protect the confidentiality of our customer information.
- We do not share customer medical information with anyone, unless you specifically authorize it or unless your insurance policy contract with us permits us to do so.
- We afford prospective and former customers the same protections as existing customers with respect to the use of personal information.

We maintain physical, electronic and organizational safeguards to protect customer information. We continually review our policies and procedures, monitor our computer network and test the strength of our security in order to help ensure the safety of our customer information

INFORMATION WE MAY COLLECT

We collect and use information we believe is necessary to administer our business, to advise you about our products and services and to provide you with customer service. We may collect and maintain several types of customer information needed for these purposes, such as those below.

Types of information we may collect and how we gather it:

- **From you:** on applications for insurance or on other forms, through telephone or in-person interviews with your agent or a customer service representative, such as your address or telephone number.
- **From your transactions:** such as your payment history with us, underwriting and claim documents.
- **From other agencies:** such as your driving record, your credit history or claims history.

HOW WE USE INFORMATION ABOUT YOU

We use customer information to underwrite your policies, process your claims, ensure your proper billing, service your accounts and to offer you other insurance products that we believe may suit your needs.

We share information about our transactions (such as payment of premium) and experiences (such as loss history) within our agency to better serve you and to assist in meeting your current product and service needs. We may also disclose customer information about you to persons or organizations outside our agency as permitted or required by law, including companies that perform marketing services for us or with whom we have joint marketing agreements. These agreements allow us to provide a broader selection of insurance products to you.

We share customer information as necessary to process your claims and protect you against fraud and unauthorized transactions.

SHARING OF INFORMATION WITHIN RISQ CONSULTING

What we share: Unless you tell us not to we may share information, within departments at RISQ Consulting, that was obtained from your application, such as your occupation; or information from a consumer report such as your credit history. We may also verify information provided by you, such as your driving record, or information regarding your employment, such as your employment history.

Why we share: We may share information about you within our agency to underwrite your policies, measure your interest in our products and services or to monitor customer trends.

If you prefer that we not share this information within our agency, please call us at (907) 365-5100 your direction not to share this information does not limit us from sharing certain information, about your transactions with us (such as your name, address or payment history) or your experiences (such as your claims activity.) This choice does not apply to our efforts to market products and services to you.

**City of Palmer
Action Memorandum No. 19-052**

Subject: Authorizing the City Manager to Negotiate and Execute an Assignment and Consent to Assignment of Lease Agreement with CIG, LLC (Assignor) and PAAQ Hangar Association (Assignee) for PMA Lease No. 19-001 on Lease Lot 12, Block 3, Palmer Municipal Airport for the Purpose of Transferring the Lease to a Newly Formed T Hangar Association

Agenda of: June 25, 2019

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

Originator Information:

Originator: City Manager

Department Review:

Route to:	Department Director:	Signature:	Date:
_____	Community Development	_____	_____
_____	Finance	<i>Michele Tefft</i>	6/7/2019
_____	Fire	_____	_____
_____	Police	_____	_____
_____	Public Works	_____	_____

Approved for Presentation By:

	Signature:	Remarks:
City Manager	<i>[Signature]</i>	_____
City Attorney	<i>[Signature]</i>	_____
City Clerk	<i>Norma L. Alley</i>	_____

Certification of Funds:

Total amount of funds listed in this legislation: \$ **0.00**

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: *Michele Tefft*

Attachment(s):

- Assignment and Consent to Assignment Agreement for PMA No. 19-001
- Declaration of PAAQ Hangar Association
- PMA No. 19-001 Insurance Requirement

Summary Statement/Background:

The developer of the new 10 unit T-hangar complex (CIG, LLC) is requesting that the City of Palmer assign the underlying airport lease (PMA No. 19-001) to the newly formed PAAQ Hangar Association so that they can begin to market, collect earnest monies and sell the individual units upon their completion.

The recently completed PAAQ Hangar Association documents as outlined above have been vetted and approved by both the Airport Superintendent and the City Attorney. Without the City's approval and document concurrence, the documents cannot be recorded with the subsequent pre-sales of these units undertaken. As with all of these types of developments, the developer has dually assumed the leadership role in both entities until enough units are sold to transfer the association control directly to the new unit owners.

Additionally, this legislation recommends the requirements for the individual unit owners insurance, as well as consent to proprietary lease agreement upon unit sales now and future transactions as outlined below:

Insurance Requirements for Individual Unit Owners:

It is recommended that all unit owners must also comply with the same insurance requirement as the underlying master lease agreement PMA No. 19-001. After extensive consultation with numerous insurance agencies, \$1M appears to be the basic bottom limit of any airport premises liability policy offered in today's insurance market place. It also protects not only the City of Palmer, but the other unit owners in case there is a substantial loss which would affect the other unit owners. Merrill Field and Kenai Municipal Airports use this approach to insurance when approving their individual hangar associations.

Consent to Proprietary Leases:

It is recommended that the "Consent to Proprietary Lease" agreement for the ten (10) units in the PAAQ Hangar Association, be a City Administrative function now and for all future transfers under this lease. The consent would be granted by the City Manager or his designee under the following criteria without additional council approval:

- The PAAQ Hangar Association is not in default of their lease agreement.
- The PAAQ Hangar Association has approved the sale or unit transfer.
- The unit will be used for aircraft storage and maintenance.
- A proper insurance binder or certificate of insurance (as outlined above) has been obtained prior to closing.
- City Information sheet for the new unit owner is obtained
- Copies of sales transaction documents are obtained prior to closing
- A copy of the recorded Proprietary Lease is obtained and of any Termination of Proprietary Lease, if applicable for future transactions.

These consent agreement guidelines for individual T hangar unit transfers would have no material effect on the underlying master lease approved by the City Council. Would save valuable City Administration and City Council time and would also speed up the closing process for the real estate transaction by a minimum of three (3) weeks, making the Palmer Municipal Airport competitive in the airport market place for these types of developments.

If this undertaking proceeds well, the developer will begin the construction of the new hangar complex on the adjacent lease lot 13 this fall.

Administration's Recommendation:

To approve Action Memorandum No. 19-052 Authorizing the City Manager to Negotiate and Execute an Assignment and Consent to Assignment of Lease Agreement with CIG, LLC (Assignor) and PAAQ Hangar Association (Assignee) for PMA Lease No. 19-001 on Lease Lot 12, Block 3, Palmer Municipal Airport for the purpose of transferring the lease to a newly formed T Hangar Association.



City of Palmer • Palmer Municipal Airport
231 W. Evergreen Avenue • Palmer, AK 99645
Phone: 907-745-3271 Fax: 907-745-0930

ASSIGNMENT AND CONSENT TO ASSIGNMENT

In consideration of and in reliance upon the above assumption and promises contained in this instrument, the City of Palmer hereby consents to the foregoing Assignment of Lease Agreement PMA No. 19-001 on Lot 12, Block 3, for the Palmer Municipal Airport, Palmer Recording District, Third Judicial District, State of Alaska between CIG, LLC, ("Assignor") to PAAQ Hangar Association, ("Assignee").

Current Palmer Municipal Airport Lease No. 19-001 (The Airport Lease) is in Effect. Except as otherwise expressly stated herein, nothing in this Assignment and Consent to Assignment of PMA Lease No. 19-001 is intended to amend or alter any of the terms and conditions of the Airport Lease or any amendments thereto previously executed by Lessor and Lessee. All terms and conditions remain in full force and effect.

Amendment(s)

None

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

Assignor's address: CIG, LLC
Attn. David C. and Dana M. Cruz
3852 Clark Wolverine Road
Palmer, AK. 99645

Assignee's address: PAAQ Hangar Association
Attn. David C. Cruz
3852 Clark Wolverine Road
Palmer, AK. 99645

This Assignment and Consent to Assignment of lease will not release the Assignor from obligations under the Airport Lease should the new Lessee default. In the event of the default of the Assignee, the lease agreement shall revert to the Assignor.

LESSOR: CITY OF PALMER

By: _____
Nathan E. Wallace, City Manager

Date: _____

ASSIGNOR: CIG, LLC

By: _____
Dana M. Cruz, Manager

Date: _____

By: _____
David C. Cruz, Manager

Date: _____

ASSIGNEE AND LESSEE: PAAQ HANGAR ASSOCIATION

By: _____
David C. Cruz, President

Date: _____

By: _____
Dana M. Cruz, Secretary

Date: _____

NOTARY

STATE OF ALASKA)
)ss.
THIRD JUDICIAL DISTRICT)

THIS IS TO CERTIFY that on the _____ day of _____, 2019, before me the undersigned, a Notary Public in and for the State of Alaska, duly commissioned and sworn, personally appeared, Nathan E. Wallace, known to me to be the identical individual described in and who executed the within and foregoing Assignment and Consent to Assignment 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: _____

IN THE PALMER RECORDING DISTRICT

DECLARATION

OF

PAAQ HANGAR ASSOCIATION

(A Leasehold Common Interest Ownership Community)

After Recording Return to:

Holland & Hart LLP

1029 W. Third Avenue, Suite 550

Anchorage, AK 99501

DECLARATION EXHIBITS

- Exhibit A - Plat
- Exhibit B - Detailed Site Plan
- Exhibit C - Schedule of Unit Size, Voting Rights and Undivided Interests
- Exhibit D - [Form] Proprietary Lease
- Exhibit E - [Form] Consent to Proprietary Lease
- Exhibit F - [Form] City of Palmer Form for Buyers
- Exhibit G - [Form] PAAQ Hangar Association "T-Hangar Association Rental Agreement
- Exhibit H - [Form] Termination of Proprietary Lease
- Exhibit I - Insurance Requirements

**DECLARATION OF
PAAQ HANGAR ASSOCIATION
(A Leasehold Common Interest Ownership Community)**

THIS DECLARATION is made on the ____ day of _____, 2019, by CIG, LLC (“Declarant”). This Declaration is also executed and consented to by the City of Palmer, as owner of the Property, and by PAAQ Hangar Association (“Association”).

PREAMBLE

(A) Declarant formed the Association (an Alaska nonprofit corporation) and negotiated the Airport Lease with the City of Palmer, whereby the Association will be the lessee of real property located at the Palmer Municipal Airport in the Third Judicial District, State of Alaska, as more particularly described in Article I, Section 13.

The City of Palmer is the fee owner of the Property which it has leased to Declarant under the Airport Lease, as assigned and amended. The rights of Declarant and the Association (and of any successors, assigns, grantees and owners of units under the Proprietary Leases) to ownership and utilization of any improvements constructed by Declarant on the Property shall be subject to rights of the City of Palmer as set forth in the Airport Lease, as amended.

(B) Declarant submits the leasehold estate to the provisions of the Common Interest Ownership Act, AS 34.08 (the “Act”), to create a cooperative, which will be known as the PAAQ Hangar Cooperative (the “Cooperative”). Pursuant to AS 34.08.070, the Act shall apply to this leasehold common interest community.

(C) Declarant intends to sell and transfer interests in the Association and the Cooperative for the purpose of providing access to and use of airplane hangars for the storage of private aircraft. A purchaser of an interest (i.e., one who enters into a Proprietary Lease) will receive a Membership Certificate in the Association, and will be entitled to the rights and subject to the obligations of a Proprietary Lease and Consent to Proprietary Lease (forms of which are attached and incorporated as Exhibits D and E) for the particular unit leased.

(D) Declarant declares that all of the Property is, and shall be, held, conveyed, hypothecated, encumbered, leased, rented, used, occupied and improved subject to the following limitations, restrictions; easements, conditions and covenants, all of which are declared and agreed to in furtherance of a plan for the protection, maintenance, improvement and sale or lease of the Property, for the purpose of enhancing the value and desirability of the Property. All provisions of this Declaration are hereby imposed as covenants upon the Property. All of the limitations, restrictions, easements, conditions and covenants shall run with the land and shall be binding upon and for the benefit of all of the Property and all parties having or acquiring any right, title or interest in the Property or any part thereof, subject to the rights of the City of Palmer, as set forth herein.

(E) Declarant, its successors, assigns and grantees covenant and agree that the undivided interest in the Common Areas, and the rights and interests to the respective Units conveyed therewith, shall not be separated or separately conveyed, and each such individual interest shall be deemed to be conveyed or encumbered with its respective Unit, as provided in this

Declaration, even though the description in the instrument of conveyance or encumbrance may refer only to the Unit. Subsequent to the initial sales of the Units, any conveyance of a Unit, or any portion thereof, by its owner shall be presumed to convey the entire Unit and all rights appurtenant thereto.

ARTICLE I.
DEFINITIONS

Section 1. Association

PAAQ Hangar Association (an Alaska nonprofit corporation).

Section 2. Board of Directors

The Board of Directors of PAAQ Hangar Association.

Section 3. Capital Improvement Assessment

A charge against each Unit Owner and his Unit, representing a portion of the cost to the Association for installation or construction of any capital improvements on any of the Common Areas which the Association may from time to time authorize.

Section 4. Common Areas/Elements

“Common Areas” or “Common Elements” shall mean and include the land within the Property, including [the Cooperative Building and] all [other] improvements located within the Project (but excluding the interior of each Unit), and the airspace above the Property, and shall further include, for maintenance purposes of the Association, all gas, water and sewer main lines, all ducts, oil/water separators, heating main supply and return piping, snow melt piping, boilers, controls, chutes, conduits, wires and other utility installations of the Unit hangars/structures wherever located (except the outlets thereof when located within the Units), all bearing walls, columns, floors, the roof, slab, foundation and walkways.

“Common Areas” or “Common Elements” also include restrooms, mechanical room, parking stalls and other common areas, as shown on the detailed Site Plan, attached as Exhibit B.

Section 5. Common Assessment

The charge against a Unit Owner for his proportionate share of Common Expenses, including reserves.

Section 6. Common Expenses

The actual and estimated costs of maintenance, insurance, management, operation, repair and replacement of the Project, and the costs of any other item or items so designated as a common expense by the Association.

Section 7. Common Interest Community

PAAQ Hangar Cooperative.

Section 8. Cooperative

A common interest community as set forth in AS 34.08, in which the real property interest is owned by an association, each of whose members are entitled, by virtue of an ownership interest in the association, to exclusive possession of a unit and the non-exclusive use of common areas. See AS 34.08.990(10). The term “cooperative” is not intended to mean a cooperative under AS 10.15.

Section 9. Declarant

CIG, LLC, a(n) Alaska limited liability company.

Section 10. Declaration

This instrument, including all attached exhibits and amendments.

Section 11. Mortgage - Mortgagee - Mortgagor

Reference to a mortgage shall be deemed to include a deed of trust; reference to a mortgagee shall be deemed to include the beneficiary of a deed of trust; and reference to a mortgagor shall be deemed to include the trustor of the deed of trust.

Section 12. Airport Lease

The lease between the City of Palmer and Declarant for Property, entitled Palmer Municipal Airport Lease Agreement No. 19-001, originally dated January 8, 2019, and any subsequent amendments, including the Assignment and Amendment further described in Article III.

Section 13. Property/Project

The leased real property, including the land, buildings and other improvements located thereon, legally 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 in an unrecorded plat dated June 27, 2005 as follows:

Palmer Municipal Airport, Block 3, Lease Lot 12, A.K.A. 780 East Yukon Street, Palmer, Alaska 99645, and subject to the Airport Lease described in Section 12 above.

Section 14. Proprietary Lease

As defined under AS 34.08.990(25), an agreement with the Association pursuant to which a Member is entitled to exclusive possession of a Unit in the Association. A copy of the form Proprietary Lease is attached hereto as Exhibit D.

Section 15. Security Interest

An interest in real estate or personal property, created by contract or conveyance, that secures payment or performance of an obligation. The term includes a lien created by a mortgage, deed of trust, trust deed, security agreement, contract for deed, land sales contract, lease intended as security, assignment of lease or rents intended as security, pledge of an ownership interest in an association, and any other consensual lien or title retention contract intended as security for an obligation.

Section 16. Special Assessment

A charge against a particular Unit Owner and his/her Unit, directly attributable to the Unit Owner, equal to the cost incurred by the Association for corrective action performed pursuant to the provisions of this Declaration, plus interest thereon as provided for in this Declaration.

Section 17. Unit

The area in which a Member has exclusive possessory rights under a Proprietary Lease, as set forth in AS 34.08.990(32). Pursuant to AS 34.08.100, the elements of a Unit not owned in common with the owners of other Units in the Property. Each of the Units, separately described and designated in attached Exhibit B, shall be a separate estate consisting of the space bounded by and contained within the interior surfaces of the perimeter walls, floors, roof, windows and doors of each Unit (i.e., each hangar). In interpreting any deed(s), the Proprietary Lease(s), this Declaration and all plans, the existing physical boundaries of the Unit constructed in substantial accordance with the original plans thereof and pursuant to the requirements herein, shall be conclusively presumed to be its physical boundaries rather than the description expressed in the deed, the relevant Proprietary Lease, original plans or this Declaration, regardless of settling or lateral movement of the relevant hangar, and regardless of minor variances between boundaries, as shown on the plan, the deed and or this Declaration and those of the hangar(s) as constructed.

Section 18. Unit Owner or Member

The person or persons holding a Membership Certificate in the Association and holding a fully-executed Proprietary Lease to a Unit. AS 34.04.990(33).

**ARTICLE II.
STATEMENT OF MATTERS REQUIRED BY LAW**

Section 1. Common Interest Ownership Act

The Common Interest Ownership Act of Alaska, AS 34.08, shall apply to and govern this leasehold cooperative project.

Section 2. Matters Required to Be Stated by Law

The matters required to be set out by AS 34.08.130 are as follows:

- AS 34.08.130(a)(1) This is a leasehold cooperative, named PAAQ Hangar Cooperative, whose association is the PAAQ Hangar Association.
- AS 34.08.130(a)(2) The Cooperative is located solely in the Palmer Recording District, Third Judicial District, State of Alaska.
- AS 34.08.130(a)(3) The legal description of the real estate is: PMA Lease No. 19-001, Palmer Municipal Airport: Block 3, Lease Lot 12, A.K.A. 780 East Yukon Street, Palmer, AK 99645.
- AS 34.08.130(a)(4) Declarant reserves the right to create up to a maximum of ten (10) Units, subject to the below expansion rights reserved by Declarant.
- AS 34.08.130(a)(5) A description of each of the ten (10) Units are delineated and described in Exhibit B. The boundaries of each unit are defined in Article I, "Unit."
- AS 34.08.130(a)(6) There are no limited common elements or areas.
- AS 34.08.130(a)(7) No additional real estate will be allocated as limited common elements.
- AS 34.08.130(a)(8), (9), (10) Declarant reserves the right to maintain sales offices, management offices, and signs advertising the common interest community and models, until such time Declarant is able to sell all ten (10) units. Declarant reserves the right to access all areas of the Property reasonably necessary to carry out its obligation to complete the construction of the Units and of the Project as advertised. Declarant reserves to itself the right to develop Lot 13, Block 3 [on the preliminary plat for the Palmer Municipal Airport] as a separate association.
- AS 34.08.130(a)(11) The ownership interest in the Association and the percentage of Common Expenses shall be

allocated in proportion to the square footage of floor space of each individual Unit, divided by the total square footage of floor space of all Units (excluding Common Areas); the portion of votes in the Association shall be allocated in proportion to the total number of individual Units, with one vote per Unit, all as calculated and set forth in the attached Exhibit C.

AS 34.08.130(a)(12)

The use and occupancy of the Units are restricted to the storage or repair of aircraft, and such other related uses as may be allowed under the Airport Lease and this Declaration. Restrictions on the alienability of the Units are described in this Declaration, the Proprietary Lease (Exhibit D) and the Consent to Proprietary Lease (Exhibit E). Moreover, the use and occupancy of the Units are restricted by the terms of this Declaration, including any use restrictions attached as an exhibit hereto, or otherwise adopted by the Board of Directors or members in conformity with the Declaration and Bylaws.

AS 34.08.130(a)(13)

Units shall not be subject to any easements and licenses, except those of record as to Lots 12 & 13, Block 3, on the preliminary plat for the Palmer Municipal Airport, and those set forth and/or provided for in this Declaration and/or in the Airport Lease.

AS 34.08.130(a)(14)

Preliminary as-builts, site plans and descriptions are attached and incorporated as Exhibits A and B.

Declarant shall retain sole control over the Association for up to the maximum period allowed under AS 34.08.330(d).

The Declarant markets units without regard to the Buyer's race, color, national origin, sex, religion, creed, age, sexual orientation, gender identity, marital status, or disability.

All prospective Unit Owners must provide information to the City of Palmer consistent with Exhibit F.

All prospective Unit Owners must have their Proprietary Lease and any sublease consented to by the City of Palmer prior to taking possession of any unit or becoming a member of the Association.

ARTICLE III.
LEASEHOLD TO WHICH THE COOPERATIVE IS SUBJECT

Section 1. Leasehold

This Cooperative is a “leasehold common interest community” as defined by AS 34.08.990(18). Pursuant to AS 34.08.140, the leasehold Property interest held by this common interest community is subject to the Airport Lease. Expiration or termination of the Airport Lease as to the Property would automatically and immediately terminate the common interest community. Additional information required to be stated by AS 34.08.140(a) is as follows:

(a) The Airport Lease was executed by Declarant and the Palmer City Manager on January 8, 2019. The Airport Lease will be amended and assigned from Declarant to the Association. A complete copy of the Airport Lease, as amended and assigned, is available to PAAQ Association members and proposed members for purposes of review.

(b) The Airport Lease is for a term of twenty five (25) years, with one (1) 20-year extension at the option of the Association.

(c) The individual Unit Owners have no right to redeem the reversion of the Airport Lease.

(d) The individual Unit Owners have no right to remove any improvements to the Property after the expiration or termination of the Airport Lease.

(e) The individual Unit Owners have no right to renew or otherwise modify the Airport Lease.

Section 2. Notice and Reservation Concerning Airport Lease

Nothing in this Declaration alters or diminishes the rights of the City of Palmer under the Airport Lease. Allocation of interests in the Property and Project, including Units and Common Areas is a matter between Declarant, the Association, and the Unit Owners, and is not a subdivision of the leasehold granted under the Airport Lease as against the City of Palmer.

The purchase of a Unit (i.e., membership in the Association by virtue of entering into a Proprietary Lease) shall constitute agreement by each Unit Owner to be bound by and comply with all terms of the Airport Lease as if a lessee thereunder (provided, however, a Unit Owner does not personally assume or guarantee any amounts owed to the City of Palmer under the Airport Lease, except that the Member agrees to indemnify, defend and hold harmless the City of Palmer and the Declarant with respect to matters arising out of the Member’s use of the Member’s Unit). Each Unit Owner acknowledges that a violation of the Airport Lease by the Association or Declarant, or by any Unit Owner, may result in the termination of all rights under the Airport Lease and of all Unit Owners’ rights under this Declaration and any Proprietary Lease. In the event of any default alleged by the City of Palmer under the Airport Lease, the Association may take all necessary action to cure the alleged default and avoid termination of the Airport Lease.

The sale, assignment or sublease of any Unit is subject to consent by the City of Palmer, which shall not be unreasonably withheld. The City of Palmer shall not be obligated to consent to any such sale, assignment or sublease if the Association is then in default under the Airport Lease.

Declarant's rights and reservations contained in this Declaration are subject to consent of the City of Palmer, which consent will not be unreasonably withheld.

ARTICLE IV.
ALLOCATION OF ALLOCABLE INTERESTS

The allocation of ownership interest, the percentage of Common Expenses, and the portion of votes in the Association shall be allocated in proportion to the square footage of the floor area in each individual Unit, divided by the total square footage of the floor area of all Units (excluding common areas), as calculated and set forth in attached Exhibit C, subject to Declarants right to expand the Project and develop additional Units as provided herein.

ARTICLE V.
USE AND OCCUPANCY RESTRICTIONS

Section 1. Use and Occupancy

In addition to those restrictions and limits on use and occupancy imposed under the Airport Lease, or other applicable documents, or otherwise imposed by law, the use and occupancy of a Unit is restricted as follows, unless otherwise agreed to by the City of Palmer in writing:

(a) The use and occupancy of the Units are exclusively for storage or repair of light aircraft (defined as up to 12,500 pounds gross weight) and respective aircraft parts as defined by the City of Palmer. All other uses 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.

(b) Only light maintenance on aircraft will be performed (i.e., minor or major parts replacement, annual inspections, engine repair or replacement, and the like).

(c) No fueling or de-fueling will be conducted within the Units.

(d) No aircraft, vehicles or other personal property may be stored permanently outside of the Units without the advance written approval of the Association.

The Units may be used and occupied for any other purpose authorized or allowed under the Airport Lease and this Declaration or applicable law. The Units shall not be used for any unlawful purpose or for any purpose or use that may constitute a nuisance, hazard to health, safety or property. The Units shall not be used for any residential occupancy. The Units shall not be used or occupied for any purpose in violation of any law, lawful order, or rule or regulation concerning the operation or use of the Palmer Municipal Airport. No member, person or entity using a Unit shall permit, allow, or in any way cause an Environmental Hazard on the premises of the Cooperative Building or its common areas. Environmental Hazard is defined as the occurrence of any violation of local, state, or federal environmental law or regulation.

Section 2. Description of Cooperative Building

Except as otherwise provided herein, the Cooperative will own one building comprised of the ten (10) Units/hangars (the “Cooperative Building”), as shown and described on the attached Exhibit B.

Section 3. Parking and Vehicular Restrictions

No vehicle shall be left on the Common Elements of the Property, subject to this Declaration, except for incidental parking by Unit Owners or their guests in connection with use of their Units which shall not interfere with the access to or use of any other Unit. Parking and storage of vehicles in designated common parking areas for more than five (5) consecutive days is prohibited. When the aircraft being stored within a given Unit is gone, personal vehicles belonging to the relevant Unit Owner (or his guest(s)) may be stored within such Unit on a temporary basis, not to exceed thirty consecutive (30) days.

Section 4. Nuisances

No noxious or offensive activities shall be carried on within the Project. The Board of Directors of the Association shall have the right to determine if any noise or activity constitutes a nuisance (but such determination shall not be binding on the City of Palmer). No Unit Owner shall permit or cause anything to be done or kept upon the Property which will increase the rate of insurance thereon or which will obstruct or interfere with the rights of other Unit Owners, nor will he commit or permit any nuisance on the premises, or commit or cause any illegal act to be committed thereon. Each Unit Owner shall comply with all of the requirements of the local or state authorities, and with all other governmental authorities with respect to the occupancy and use of a Unit.

Section 5. Signs

No signs, posters, displays or other advertising devices of any character shall be erected or maintained on, or shown or displayed from, the Units without prior written approval having been obtained from the Board of Directors; provided, however, that the restrictions of this paragraph shall not apply to any sign or notice of customary and reasonable dimension advertising any Unit(s) for sublease (i.e., a sublease to the relevant Unit Owner’s Proprietary Lease). Address and identification signs may be maintained by the Association at the Association’s option. The Board of Directors may summarily cause all unauthorized signs to be removed and destroyed at the expense of the relevant Unit Owner. This section shall not apply to any signs used by Declarant or its agents in connection with the original construction and sale of the Units.

Section 6. Hold Harmless and Indemnification

Each Unit Owner shall be liable to the Association for any damage to the Common Areas or any equipment which may be sustained by reason of the negligence of said Unit Owner, or of his guests or invitees, to the extent that any such damage shall not be covered by insurance. Each Unit Owner will, by the acceptance of his Proprietary Lease, agree to indemnify and defend the Association, each and every other Member of the Association, the Declarant, and the City of Palmer, and to hold the Association, each and every other Member of the Association, the

Declarant, and the City of Palmer harmless from and against any and all losses, claims, damages, liabilities, and obligation of any kind or nature, including reasonable attorney fees and costs, arising out of or relating in any way to the use or occupancy of the Member's Unit or the PAAQ Hangars common areas, limited common areas or facilities (See form Proprietary Lease, attached and incorporated as Exhibit D). Each Unit Owner will, by execution of the Consent to Proprietary Lease, agree to indemnify and defend the City of Palmer, the Association, and the Declarant as set forth in the Consent to Proprietary Lease, attached as Exhibit E.

Section 7. Outside Installations

No outside television or radio pole, antenna or other fixture shall be constructed, erected or maintained on any Unit without first obtaining the approval of the Board of Directors. No wiring or installation of heating, air conditioning or other machine shall be installed on the exterior of any Unit or be allowed to protrude through the walls or roof of the Unit hangar/building, unless the prior written approval of the Board of Directors is secured.

Section 8. Pet Regulations

Any Unit Owner shall be liable for any damage to person or property caused by any pets brought or kept upon the Property by such owner or his guests.

Section 9. Business or Commercial Activity

No business or commercial activity, other than as expressly allowed by this Declaration, the Airport Lease, the Board of Directors, the Bylaws and rules and regulations of the Association, shall be maintained or conducted in any Unit.

Section 10. Temporary Structure

No temporary structure, boat, truck, trailer, camper or recreational vehicle of any kind shall be used as a living area while located within the Project; however, trailers or temporary structures for use incidental to the initial construction of the improvements on the Property may be maintained thereon but shall be removed within a reasonable time upon completion of construction of the project.

Section 11. Rubbish Removal

Trash, garbage or other waste shall be disposed of only by depositing same into a trash container placed in a designated pick-up area on the day of pick-up for removal. No Unit Owner shall permit or cause any trash or refuse to be disposed of on any portion of the Project. No exterior portion of the Project shall be used for the storage of building materials, refuse or any other materials other than in connection with approved construction.

Section 12. Lease of Units or Transfer of Interest

No Unit Owner may lease his Unit to a third party or transfer his interest in the Unit and the Association to a third party, without prior written consent from the Association and without written consent by the City of Palmer, which consent shall not be unreasonably withheld. A

granting of a Security Interest or similar interest for purposes of financing or otherwise shall be considered a transfer requiring prior consent by the Association and the City of Palmer. The City of Palmer may condition its consent: (1) in the event of a sublease, on the Unit Owner's and sublessee's execution of and consent to the terms of the City of Palmer's "Consent to Assignment of Proprietary Lease" (Exhibit F) and on terms of a sublease at least as inclusive as the PAAQ Hangar Association "T-Hangar Rental Agreement" attached as Exhibit G; and (2) in the event of a sale or transfer, the prior Unit Owner will need to execute a Termination of Proprietary Lease (Exhibit H) and the new Unit Owner will need to execute a new Proprietary Lease (Exhibit D), and will also need to execute and consent to the terms of the Consent to Proprietary Lease (Exhibit E) which also requires the consent of the City of Palmer. Any lease or transfer to a third party must be in writing and shall provide that the failure to comply in all respects with the provisions of this Declaration, the Association Bylaws, the Airport Lease and/or the Unit Owner's Proprietary Lease shall be a default under the terms of the Airport Lease. A sublessee or transferee of such a Unit shall not have any rights in the Association, and the Unit Owner shall retain all rights as owner, unless the owner sells all his interest in the Unit to the sublessee or transferee as allowed and required by this Declaration, and the sublessee or transferee becomes a unit owner.

Section 13. Subdivision of Units

Units may not be subject to any time-share arrangements. Units may not be subdivided.

**ARTICLE VI.
ARCHITECTURAL PROVISIONS STANDARDS**

Excepting the interior of Units, no replacement, addition or alteration of the hangars/buildings, structure, fence, drainage facility, Common Areas/Elements, landscaping or planting shall be effected on any Unit other than by Declarant until the plans, specifications and as-built plan showing the location and nature of such replacement, addition, alteration or removal have been submitted to, and approved in writing by, the Board of Directors and, as may be applicable pursuant to the Airport Lease, the City of Palmer; nor shall any exterior painting or decorative alteration be commenced until the Board of Directors has approved the plans therefor, including the proposed color schemes, design thereof and the quality of materials to be used. All such plans and specifications shall be prepared by an architect or landscape architect or licensed building designer, said person to be employed by the Unit Owner making application at his sole expense. Plans and resubmittals thereof shall be approved or disapproved within thirty (30) days. The approval of the plans and specifications may be withheld not only because of noncompliance with any of the specific conditions, covenants and restrictions contained in this Declaration, but also by reason of reasonable dissatisfaction of the Board of Directors with the location of the structure, the elevation, color scheme, finish, design, proportions, architecture, shape, height, style and appropriateness of the proposed structure or altered structure, the materials used therein, or because of its reasonable dissatisfaction with any or all other matters or things which, in the reasonable judgment of the Board of Directors, will render the proposed investment inharmonious or out of keeping with the general plan of improvement of the Property or with the improvements erected on other Units. If, after such plans and specifications have been approved, the improvements are altered, erected or maintained upon the Unit other than as approved by the Board of Directors, such alteration, erection and maintenance shall be deemed to have been undertaken without the approval of the Board of Directors having been obtained as required by this

Declaration. After the expiration of one (1) year from the date of completion of any improvement, said improvement shall, in favor of purchasers and encumbrancers, in good faith and for value, be deemed to comply with all of the provisions hereof, unless a notice of such noncompliance or non-completion, executed by at least one (1) member of the Board of Directors, shall have been delivered to the relevant Unit Owner (any such improvements shall not waive any rights of the City of Palmer under the Airport Lease.). The approval of the Board of Directors of any plans or specifications submitted for approval as herein specified for use on any Unit shall not be deemed to be a waiver by the Board of Directors of its right to object to any of the features or elements embodied in such plans and specifications, if or when the same features or elements are embodied in any subsequent plans and specifications submitted for approval as herein provided for use on other Units. No member of the Board of Directors shall be liable to any person or party for his decisions or failure to act in making decisions as a member of said Board of Directors. Upon approval of the Board of Directors, it shall be conclusively presumed that the location and height of any improvement does not violate the provisions of this Declaration.

ARTICLE VII.
REPAIR AND MAINTENANCE

Section 1. Repair and Maintenance Duties of Association

From the maintenance fund, the Association shall maintain and repair structural and exterior components of the Cooperative Building and make necessary improvements to and pay for maintenance and repair of all Common Areas/Elements, all metered utilities in Common Areas, landscaping, and all common parking areas, ramps, walks and other means of ingress and egress within the Project. To the extent not assessed to or paid by the Unit Owners, the Association shall pay all real property taxes and assessments levied upon the Cooperative’s Property, including any portion of the Units or Common areas.

Section 2. Repair and Maintenance Duties of Unit Owner

Each unit owner shall maintain, repair, replace and restore all portions of his Unit, including the interior walls, ceilings, windows, floors, hangar doors and all exterior doors and permanent fixtures l, in a safe, clean, sanitary and attractive condition. In the event the relevant Unit Owner fails to maintain and/or repair the areas subject to his control and duty to maintain, the Association may undertake all such maintenance and/or repair work, in which case said owner shall be assessed a Special Assessment equal to the amount of all costs incurred by the Association for such repair/corrective work, plus a(n) _____ percent (___%) administration fee, payable on written demand thereof.

ARTICLE VIII.
DESTRUCTION OF IMPROVEMENTS

Section 1. Duty to Restore

Any portion of the Cooperative for which insurance is required under AS 34.08.440 of the Act, or for which insurance carried by the Association is in effect, whichever is more extensive, that is damaged or destroyed must be repaired or replaced as soon as can reasonably be done by the Association unless:

- (a) The Cooperative is terminated and AS 34.08.260 applies;
- (b) Repair or replacement would be illegal under a state statute or municipal ordinance governing health or safety; or
- (c) By a vote of eighty percent (80%) or more of the Unit Owners entitled to vote, the Unit Owners decide not to rebuild.

Section 2. Cost

The cost of repair or replacement in excess of insurance proceeds and deductible amount (which shall be paid by the responsible party) shall be a Common Expense, but subject to a Unit Owner's obligations under this Declaration.

Section 3. Plans

The common interest community must be repaired and restored in accordance with either the original plans and specifications, or other plans and specifications, which have been approved by the Board of Directors and a majority of the Unit Owners entitled to vote.

Section 4. Replacement of less than Entire Common Interest Community

(a) The insurance proceeds attributable to the damaged Common Elements shall be used to restore the damaged area to a condition compatible with the remainder of the common interest community.

(b) Except to the extent that other persons will be distributees:

1. The insurance proceeds attributable to Units that are not rebuilt shall be distributed to the owners of those Units, or to lienholders, as their interests may appear; and

2. The remainder of the proceeds shall be distributed to all the Unit Owners or lienholders, as their interests may appear, according to their proportionate interests.

(c) If the Unit Owners vote not to rebuild any Unit, that Unit Owner's interest shall be automatically reallocated as if the unit has been condemned under AS 34.08.740(a), and the Association shall promptly prepare, execute and record an amendment to this Declaration reflecting the reallocation of interests and liabilities.

Section 5. Insurance Proceeds

The Association shall maintain such insurance as is required under the Airport Lease or under applicable law, and may obtain such other insurance as deemed appropriate by the Board of Directors. In the event of any covered loss, the Board of Directors shall hold any insurance proceeds in trust for the Association, Unit Owners and lienholders as their interests may appear.

ARTICLE IX.
ASSESSMENT AND COLLECTION OF COMMON EXPENSES

Section 1. Definitions of Common Expenses

Common Expenses are defined in Article I, Section 6, and shall include:

- (a) Expenses of administering and operating the Association;
- (b) Expenses of administration, maintenance, utilities, and repair or replacement of the Common Areas or other Association property;
- (c) Expenses declared to be Common Expenses by this Declaration, Bylaws of the Association or Alaska law;
- (d) Expenses agreed upon as Common Expenses by the Association;
- (e) Expenses to meet the municipal tax liability on all the Property constituting the common interest community;
- (f) Expenses for the amortization of any Security Interest or interest encumbering the common interest community as a whole;
- (g) Any expenses with respect to required or other insurance coverage, except the deductible (which shall be the responsibility of the responsible party);
- (h) Expenses of any capital improvements as provided in Article X, Section 6 (the Capital Improvement Assessments); and
- (i) Such reserves as may be established by the Association, whether held in trust or by the Association, for lease payments; for repair, replacement or addition to the Common Elements, or any other real or personal property acquired or held by the Association; for blanket mortgage shortfalls; and for a working capital fund, established as part of the operating reserve account.

Section 2. Apportionment of Common Expenses

Except as provided below, all Common Expenses shall be assessed against all Units in accordance with their percentage interest in the Common Areas as shown on Exhibit C. The percentage interest in the Common Areas was calculated on the basis of the amount of square footage on the first floor of each Unit, divided by the square footage on the first floor of all Units, excluding mezzanine and Common Areas.

Section 3. Common Expenses Attributable to Fewer than All Units

- (a) Any expense for services provided by the Association to an individual Unit or multiple Units at the request of the Unit Owner(s) shall be assessed against the Unit or Units which benefit from such service.

(b) Any insurance premium increase or insurance deductible amount attributable to a particular unit shall be assessed against the unit owner.

(c) Assessments to pay a judgment against the Association may be made only against the units in the common interest community at the time the judgment was entered, in proportion to their common expense liabilities.

(d) If a common expense is incurred because of a unit owner's violation of the Airport Lease, Declaration, Bylaws or under law, the Association may assess such expense exclusively against the unit owner.

(e) Fees, charges, late charges, costs, expenses, fines and interest charged against a Unit Owner by the Association pursuant to this Declaration (including, without limitation, those costs and expenses charged to a Unit Owner pursuant to Article VII, Section 2 and Article X, Section 4) and the Act are enforceable as expense assessments against the Unit Owner.

(f) The cost of heating is allocable to individual Unit Owners according to the proportionate use of such Unit.

Section 4. Lien

(a) Pursuant to AS 34.08.470, the Association has a statutory lien on a Unit for an assessment levied against that Unit or fines imposed against its Unit Owner from the time the assessment or fine becomes due. Fees, charges, late charges, fines and interest charged pursuant to Alaska Statutes are enforceable as assessments under this section. If an assessment is payable in installments, the full amount of the assessment is a lien from the time the first installment becomes due.

(b) A lien under this section is prior to all other liens and encumbrances on a Unit except (1) a lien and encumbrance which the Association creates, assumes or takes subject to; (2) a first security interest encumbering only the interest of the Unit Owner and perfected before the date on which the assessment sought to be enforced became delinquent; and (3) liens for real property taxes and other governmental assessments or charges against the Unit. A lien, under this section, is also prior to all security interests described in (2) of this subsection if the Common Expense assessments based on the periodic budget adopted by the Association would have become due in the absence of acceleration during the six (6) months immediately preceding institution of an action to enforce the lien. This subsection does not affect the priority of mechanics or materialmen's liens, or the priority of liens for other assessments made by the Association. A lien under this section is not subject to AS 09.38.010 (Homestead Exemption).

(c) The recording of this Declaration constitutes record notice and perfection of the lien. Further recordation of any claim of lien for assessment under this section is not required.

(d) A lien for unpaid assessments is extinguished unless proceedings to enforce the lien are instituted within three (3) years after the full amount of the assessment becomes due; provided that if an owner of a Unit subject to a lien under this section files a petition for relief

under the United States Bankruptcy Code, the period of time for instituting proceedings to enforce the Association's lien shall be tolled until thirty (30) days after the automatic stay of the proceeding under Section 362 of the Bankruptcy Code is lifted.

(e) This section does not prohibit actions to recover sums for which this Declaration creates a lien or prohibits the Association from taking a deed in lieu of foreclosure.

(f) A judgment or decree in an action brought under this section is enforceable by execution under AS 09.35.010. The substantially prevailing party shall be entitled to costs and reasonable attorney's fees.

(g) Upon nonpayment of an assessment on a Unit, a Unit Owner may be evicted in the same manner as provided by law in the case of an unlawful holdover by a commercial tenant, and the lien may be foreclosed under this section.

(h) The Association's lien may be foreclosed as a mortgage or as a deed of trust on real estate is foreclosed or as a lien is foreclosed under AS 34.35.005.

(i) The Unit may also be sold subject to the consent of the City of Palmer as described in Article III, Section 2, above, as follows:

1. The Association, upon nonpayment of an assessment and compliance with this subsection, may sell (or lease) the interest in the relevant Unit at public sale or by private negotiation, and at any time and place; each aspect of the sale, including the method, advertising, time, place and terms must be commercially reasonable; the Association shall give reasonable written notice to the Unit Owner and any sublessee of the Unit Owner of the time and place of the public sale or, if a private sale is intended, of the intention of entering into a contract to sell and of the time after which a private disposition may be made; the same notice must also be sent to any other person who has a recorded and valid interest in the Unit that would be cut off by the sale, but only if the recorded interest was on record seven (7) weeks before the date specified in the notice as the date after which a private sale may be made; the notices required by this subsection may be sent to any address reasonable in the circumstances; sale may not be held until five (5) weeks after the sending of the notice; the Association may buy at a public sale and, if the sale is conducted by a fiduciary or other person not related to the Association, at a private sale.

2. Unless otherwise agreed, the debtor is liable for any deficiency in a foreclosure sale under AS 09.45.170.

3. The proceeds of a foreclosure sale shall be applied in the following order:

- (i) The reasonable expenses of sale;
- (ii) The reasonable expenses of securing possession before sale, including holding, maintaining and preparing the Unit for sale, payment of taxes and other governmental charges, premiums on hazard and liability insurance;

- (iii) Satisfaction of the lien or other amounts owed to the Association;
- (iv) Satisfaction in the order of priority of a subordinate claim of record; and
- (v) Remittance of any excess to the Unit Owner.

4. A good faith purchaser for value acquires the Unit free of the Association's debt that gave rise to the lien under which the foreclosure sale occurred and any subordinate interest, even though the Association or other person conducting the sale failed to comply with the requirements of this section; the person conducting the sale shall execute a conveyance or other appropriate documents to the purchaser sufficient to convey the Unit, stating that it is executed after a foreclosure of the Association's lien by power of sale and that the person conducting the sale was empowered to make the sale; signature and title or authority of the person signing the conveyance as grantor, and a recital of the facts of nonpayment of the assessment and of the giving of the notices required by this subsection are authority of the person to sign; further proof of authority is not required even if the Association is named as grantee in the conveyance.

5. At any time before the Association has disposed of a Unit in the Cooperative or entered into a contract for its disposition under the power of sale, the Unit Owner or the holder of a subordinate Security Interest may cure the default of the Unit Owner and prevent sale or other disposition by tendering the performance due under the security agreement, including an amount due because of exercise of a right to accelerate, plus the reasonable expenses of proceeding to foreclosure incurred to the time of tender.

Section 5. Budget Adoption and Implementation

Not later than thirty (30) days prior to the beginning of each calendar year, the Board of Directors shall estimate the total charges to be assessed against each Unit. Written notice of the annual assessments shall be sent to every Unit Owner subject thereto. In the event the Board of Directors shall determine the estimate of total charges for the current year is or may become inadequate to meet all expenses of the Property for any reason, it shall immediately determine the approximate amount of such inadequacy and issue a supplemental estimate of the total charges to be assessed against each Unit. The Board of Directors may at its discretion create a reasonable reserve fund, and may assess each Unit Owner for such reserve fund, in accordance with the Unit Owner's proportionate share of Common Expenses. All assessments (including amounts supplemented and reserved) shall be due and payable as determined by the Board of Directors.

Each installment of an assessment shall become delinquent if not paid on or before thirty (30) days from the date upon which it becomes due. All excess funds may be returned to the Unit Owners in a proportion equal to their individual contributions or may be retained by the Association and applied to the following year's assessments or the reserve fund, as determined by the Board of Directors. In a voluntary conveyance of a Unit, the grantee of the unit shall be jointly and severally liable with the grantor for all unpaid assessments by the Association for his share of the Common Expenses up to the time of the grant or conveyance, without prejudice to the grantee's right to recover from the grantor the amounts paid by the grantee therefor.

ARTICLE X.
THE ASSOCIATION

Section 1. Formation and Membership

The Association is incorporated under the name of PAAQ Hangar Association, as a nonprofit corporation under the laws of the State of Alaska (AS 10.20). Membership is limited to Unit Owners. Declarant may construct up to ten (10) Units, and is the original owner of all Units. Upon completion of some or all of the Units, Declarant shall sell and transfer ownership interests in the Association contemporaneously with the execution of the relevant Proprietary Lease. A person shall be deemed an owner of a Unit only upon full payment to Declarant, execution and recordation of a Proprietary Lease (Exhibit D), and written consent by the City of Palmer (Exhibit E). Upon execution of a Proprietary Lease, each Member shall be issued a Membership Certificate, which shall be evidence of his ownership and rights in the Association. Except as expressly provided herein to the contrary, every Unit Owner shall remain a Member in the Association until such time as his ownership (i.e., his Proprietary Lease) ceases, expires or terminates (as applicable) for any reason, at which time his membership in the Association shall automatically cease.

Section 2. Bylaws

The Association shall adopt or heretofore adopted Bylaws for the administration of the Cooperative and the Association, and other purposes not inconsistent with this Declaration and the Act. The Bylaws may be amended or modified by a majority vote of the Members entitled to vote. Any proposed modifications or amendments to the Bylaws may be proposed by the Board of Directors or the Members at any duly constituted annual or special meeting of the Members.

Section 3. General Powers of the Association

The Association shall have all of the powers set forth in its Articles of Incorporation, together with its general powers as a nonprofit corporation under AS 10.20, generally to do any and all things that a nonprofit corporation organized under the laws of the State of Alaska may lawfully do in operating for the benefit of its Members, subject only to the limitations upon the exercise of such powers as are expressly set forth in the Articles of Incorporation, the Bylaws and in this Declaration, and to do any and all acts which may be necessary or proper for or incidental to the exercise of any of the express powers of the Association or for the peace, health, comfort, safety and general welfare of the Unit Owners and their guests.

Section 4. Special Powers of Board of Directors

Without in any way limiting the generality of the foregoing, in the event the Board of Directors determines that an improvement within the Project is in need of repair, restoration or painting, or that landscaping is in need of installation, repair or restoration, or that an improvement is in existence without proper approval of the Board of Directors, or that there is a violation of any provision of this Declaration, then the Board of Directors shall give written notice to the relevant Unit Owner of the condition or violation complained of, and unless the Board of Directors has approved in writing corrective plans proposed by the Unit Owner to remedy the condition complained of within such period of time as may be determined reasonable by the Board of Directors after it has given written notice, and such corrective work so approved is completed

thereafter within the time allotted by the Board of Directors, the Board of Directors shall undertake to remedy such condition or violation complained of, and the cost thereof shall be charged to the Unit owner and his Unit whose Unit is the subject matter of the corrective work, and such cost shall be deemed to be a Special Assessment to such Unit Owner and his Unit, and subject to levy, enforcement and collection by the Board of Directors in accordance with the assessment lien procedure provided for in this Declaration.

Section 5. Rights of Entry

The Association shall have a limited right of entry in and upon the exterior of all Units for the purpose of taking whatever corrective action may be deemed necessary or proper by the Association. Nothing in this Article shall in any manner limit the right of the Unit Owner to exclusive control over the interior of his Unit. Provided, however, that a Unit Owner shall grant a right of entry to the Association or any other person authorized by the Association in case of an emergency originating in or threatening his Unit, whether the owner is present or not. Provided, further, that a Unit Owner shall permit other Unit Owners or their representatives to enter his Unit for the purpose of performing required installation, alterations or repair of the mechanical or electrical services to a Unit, provided that requests for entry are made in advance and that such entry is at a time convenient to the Unit Owner whose Unit is to be entered. In case of an emergency, such right of entry shall be immediate.

Section 6. Miscellaneous Duties and Powers

The Association shall have the right to install or construct capital improvements on any of the Common Areas and assess a Capital Improvement Assessment to each Unit Owner for the cost thereof. The Association may, at any time and from time to time, reconstruct, replace, refinish, or make any improvement, including new improvements, or portion thereof upon the Common Areas in accordance with the original design, finish or standard of construction of such improvement; construct, reconstruct, replace or refinish any surface upon any portion of Common Areas; replace destroyed trees or other vegetation and plant trees, shrubs and ground cover upon any portion of the Common Areas; and place and maintain upon the Common Areas such signs as the Association may deem necessary for their identification, for regulation of traffic, including parking, the regulation and use of the Common Areas and for the health, welfare and safety of Unit Owners and their guests. The Association may delegate all of the powers contained in this Declaration to any management organization or individual, and the Association may employ personnel necessary for the effective operation and maintenance of the Cooperative Building and other Common Areas/Elements of any type described herein, including the employment of legal and accounting services.

Section 7. Agents

The Association may enter into a written contract with a professional, corporate or individual manager to conduct and perform the business, obligations and duties of the Association. The Association may enter into written contracts with such others as is deemed appropriate in carrying out its duties.

Section 8. Shares and Voting

At any meeting of the Association, each Member, including Declarant, as to those Units not sold, shall be entitled to the number of votes as shown on Exhibit C.

**ARTICLE XI.
RIGHTS OF MORTGAGEE AND CITY OF PALMER**

Section 1. Priority

Where the mortgagee of a mortgage of record or other unit owner of a Unit obtains title to the same as a result of foreclosure of any such mortgage, or other purchaser of a Unit obtains title to the same as a result of a deed taken in lieu of foreclosure, the acquirer of title shall be required to execute a Proprietary Lease with the Association and to pay any delinquent portion of the share of the Common Expenses or assessments by the Association chargeable to such Unit which became due prior to the acquisition of title to such Unit by such acquirer, and shall be subject to any future assessments which become due subsequent to his acquisition of title. Such unpaid share of Common Expenses or assessments shall be deemed to be expenses collectible from such acquirer, his successors and assigns.

Section 2. Default

A breach of any of the provisions, covenants, restrictions or limitations hereof, the recordation of any lien or assessment hereunder, or the pursuit of any remedy hereunder shall not defeat or render invalid the lien of any mortgage made by a Unit Owner in good faith and for value upon the interest of a Unit Owner. All of the provisions herein shall be binding upon and effective against any Unit Owner whose title to such Unit is hereafter acquired through foreclosure or trustee's sale. The holder of a first mortgage of record is also, upon request, entitled to written notification from the Association of any default in the performance by the individual Unit Owner of any obligation under this Declaration; Association Bylaws or other Association documents, which default is not cured within sixty (60) days.

Section 3. Right to Inspect Association Records and Notice

The holder of a first mortgage of record, its successors and assigns, shall, no more than once per calendar year, have the right to inspect the Association's books of account and other financial records, and shall be entitled to such additional financial data as may be reasonably required to protect its interests, including annual financial statements, within 180 days following the end of the fiscal or calendar year of the Association. Written notice of all Association meetings shall be sent to first mortgagees of record upon their written request who may designate an agent to attend such meetings.

Section 4. Prior Approval

Except as provided under the Airport Lease, prior written approval of all holders of first mortgages, or deeds of trust covering all or any portion of the Project are required for the following actions:

(a) Removal of all or any portion of the Property or project from the provisions of the Act, or as said statute maybe amended from time to time.

(b) A change in the pro rata interest or obligation of any Unit for purposes of levying assessments or charges or allocating distributions of hazard insurance proceeds of condemnation awards.

(c) Except as authorized herein, a change in the percentage interests of the Unit Owners in the common elements.

(d) The abandonment of the cooperative status of the Project, except for abandonment provided under the provisions of the Act in case of substantial loss to the Units and Common Elements.

(e) The use of hazard insurance proceeds for losses to any Cooperative property, whether to a Unit or to the Common Elements, for other than the repair, replacement or reconstruction of such improvements, except as provided in the Act in the case of substantial loss to the units and common elements.

(f) Any amendment to this Declaration affecting the validity or priority of the rights of any mortgagee.

Section 5. Rights of City of Palmer

Prior written approval by the City of Palmer shall be required for any amendment to this Declaration.

**ARTICLE XII.
INSURANCE**

Section 1. Types

The Association shall obtain and continue in effect adequate blanket public liability insurance for the Common Areas, and fire insurance with extended coverage for the full replacement value of the Project. Such insurance shall be maintained by the Association for the benefit of the Association, the Unit Owners, the City of Palmer, the Declarant, and the encumbrancers upon the Property, or any part thereof, as their interests may appear. The Association may purchase such other insurance as it may deem appropriate, including but not limited to, liability insurance for individual units, if the unit is owned by an individual or individuals, fidelity bonds and workers' compensation. In the event the Association chooses to procure and maintain liability insurance for Unit Owners that are individuals, the City of Palmer shall be an additional named insured on the liability portion of any policy. ***Each Unit Owner is required to obtain liability insurance for the individual Unit, as expressly set forth in the Airport Lease and Consent to Proprietary Lease, unless the Association, in its discretion, has obtained and maintained in force liability insurance for all units owned and used solely by individuals. The Association will not procure liability insurance on individual units owned by or subleased to businesses.***

Any individual that is a Unit Owner or sublessee that is required to carry liability insurance by the Declaration shall name the Association and the City of Palmer as additional named insureds under the liability policy. Each Unit Owner shall, at such owner's sole cost, provide insurance on his personal property in such form and amount as such owner deems appropriate. The Association is not responsible for loss of any kind related to a Unit Owner's personal property, regardless of whether the loss of personal property occurs in the Common Areas or within any unit.

Section 2. Premiums and Proceeds

Insurance premiums for any insurance coverage obtained by the Association shall be a Common expense, at the discretion of the Board of Directors, to be included in the regular assessments levied by the Association for the repair or replacement of the Property for which the insurance was carried or otherwise disposed of as provided in this Declaration. The Association is hereby granted the authority to negotiate loss settlements with the appropriate insurance carriers.

**ARTICLE XIII.
DURATION AND AMENDMENT**

Section 1. Duration

This Declaration shall continue in full force until terminated by law or as otherwise provided herein, or until termination or expiration of the Airport Lease.

Section 2. Amendment

Except for rights of Declarant expressly reserved in this Declaration, notice of the subject matter of a proposed amendment to this Declaration in reasonably detailed form shall be included in the notice of any meeting of the Association at which a proposed amendment is to be considered. Notice of a proposed amendment to this Declaration shall be given to the City of Palmer not less than thirty (30) days prior to the effective date of any amendment, and the City of Palmer shall have the right to consent to amendments as provided in this Declaration. A resolution adopting a proposed amendment to this Declaration may be proposed by a Unit Owner at a meeting of the Members of the Association. The resolution shall be adopted by approval of Unit Owners owning in the aggregate not less than sixty-seven percent (67%) of the voting power, subject to the consent of the City of Palmer as described above. A copy of each amendment shall be certified by at least two (2) officers of the Association, and the amendment shall be effective when recorded in the public records, Palmer Recording District, State of Alaska; provided, however, that any of the following amendments to be effective must be approved in writing by the record holders of all encumbrances on any Units at the time of such amendment:

(a) Any amendment which affects or purports to affect the validity or priority of encumbrances, or the rights or protection granted to encumbrancers as provided herein.

(b) Any amendment which would or could result in an encumbrance being cancelled by forfeiture.

(c) Any amendment relating to the insurance provisions as set out herein, to the application of insurance proceeds as set out herein, or to the disposition of any money received in any taking under condemnation proceedings.

Section 3. Amendment by Declarant

Notwithstanding the foregoing, until the close of any escrow for the sale of every Unit in the Property, Declarant shall have the right to terminate or, with the consent of the City of Palmer, modify this Declaration by recordation of a supplement thereto setting forth such termination or modification. For purposes of this Declaration, the close of escrow shall be deemed to be the date upon which a Proprietary Lease for a Unit is recorded.

**ARTICLE XIV.
CONDEMNATION**

Section 1. Consequences of Condemnation

If, at any time or times during the continuance of the cooperative, all or any part of the Property shall be taken or condemned by any public authority, or sold or otherwise disposed of, in lieu of or in advance thereof, the provisions of this Article shall apply.

Section 2. Proceeds

All compensation, damages or other proceeds therefrom, the sum of which is hereinafter called the "condemnation award," shall be payable to the Association, in trust, for the purposes set forth herein.

Section 3. Complete Taking

In the event the entire project is taken or condemned, sold or otherwise disposed of, in lieu of or in avoidance thereof, the cooperative ownership pursuant thereto shall terminate. The condemnation award shall be apportioned among the Unit Owners in proportion to the respective undivided interests in the Common Elements, provided that if a standard different from the value of the Project as a whole is employed to measure the condemnation award in the negotiation, judicial decree or otherwise, then, in determining such shares, the same standard shall be employed to the extent it is relevant and applicable.

On the basis of the principle set forth in the last preceding paragraph, the Association shall, as soon as practicable, determine the share of the condemnation award to which each Unit Owner is entitled and make payment accordingly.

Section 4. Partial Taking

In the event that less than the entire Project is taken or condemned, sold or otherwise disposed of, in lieu of or in avoidance thereof, the cooperative ownership hereunder shall not terminate. Each Unit Owner shall be entitled to a share of the condemnation award to be determined in the following manner:

(a) As soon as practicable, the Association shall, reasonably and in good faith, allocate the condemnation award between compensation damages and other proceeds, and shall apportion the amounts so allocated to taking of or injury to the Common Elements among the Unit Owners in proportion to their respective undivided interests in the Common Elements;

(b) The total amount allocated to severance damages shall be apportioned to those Units which were not taken or condemned;

(c) The respective amounts allocated to the taking of or injury to a particular Unit and/or improvements a Unit Owner had made within his own Unit shall be apportioned to the particular Unit involved; and

(d) The amount allocated to consequential damages and any other takings or injuries shall be apportioned as the Association determines to be equitable in the circumstances. If an allocation of the condemnation award is already established in negotiation, judicial decree or otherwise, then in allocating the condemnation award, the Association shall employ such allocation to the extent it is relevant and applicable. Distribution of apportioned proceeds shall be made by check payable jointly to the respective Unit Owners and their respective mortgages.

Section 5. Reorganization

In the event a partial taking results in the taking of a complete Unit, the owner thereof automatically shall cease to be a Member of the Association. Thereafter, the Association shall reallocate the ownership, voting rights and assessments ratio determined in accordance with this Declaration according to the same principles employed in this Declaration at its inception, and shall submit such reallocation to the owners of remaining units for amendment of this Declaration as provided in this Declaration.

Section 6. Notice to Mortgagee

The institutional holder of a first mortgage on any Unit shall be given written notice of any condemnation proceeding described herein, and nothing herein shall entitle a Unit Owner or any other party to priority over the holder of a first mortgage with respect to the distribution of the proceeds of any award or settlement.

**ARTICLE XV.
MISCELLANEOUS**

Section 1. Governing Law

This Declaration shall be governed by and construed consistent with Alaska law, including the Common Interest Ownership Act, AS 34.08.

Section 2. Legal Proceedings

Failure to comply with any of the terms of this Declaration, the Bylaws and the regulations or policies adopted pursuant thereto shall be grounds for relief which may include, without limiting same, an action to recover sums due for damages, injunctive relief, foreclosure of lien, or any

combination thereof, which relief may be sought by the Association or, if appropriate, by an aggrieved Unit Owner. The provisions of this Declaration shall be liberally construed to effectuate its purpose of creating a uniform plan for the development and operation of the Project, and any violation of this Declaration shall be deemed to be a nuisance. Failure to enforce any provision hereof shall not constitute a waiver of the right to enforce said provision or any other provision hereof. Any Unit Owner not at the time in default hereunder or Declarant shall be entitled to bring an action for damages against any defaulting Unit Owner and, in addition, may enjoin any violation of this Declaration. Any judgment rendered in any action or proceeding pursuant hereto shall include a sum for attorney's fees, in such amount as the court may deem reasonable, in favor of the substantially prevailing party. Each remedy provided for in this Declaration shall be cumulative, and not exclusive or exhaustive.

Section 3. Severability

The provisions hereof shall be deemed independent and severable, and the invalidity or partial invalidity or enforceability of any one provision or portion hereof shall not affect the validity or enforceability of any other provisions hereof.

Section 4. Construction by Declarant

Nothing in this Declaration shall limit the right of Declarant to complete construction of improvements to the Common Areas and to the Units owned by Declarant, or to construct such additional improvements as Declarant deems advisable prior to completion and sale of the entire Project. Such right shall include, but shall not be limited to, erecting, constructing and maintaining on the Project such structures and displays as may be reasonably necessary for the conduct of its business of completing the work. This Declaration shall not limit the right of Declarant, at any time prior to acquisition of title by a purchaser from Declarant, to establish on the Project additional easements, reservations and rights-of-way to itself, to utility companies or to others as may, from time to time, be reasonably necessary to the proper development disposal of the Project. Prospective purchasers and Declarant shall have the right to use all Common Areas for access to the sales facilities of Declarant. The rights of Declarant hereunder may be assigned by Declarant to any successor to all or part of Declarant's interest in the Project by an express assignment incorporated in a recorded deed transferring such interest to such successor.

Section 5. Easements

Declarant expressly reserves for the benefit of the Unit Owners in the Project reciprocal easements of access, ingress and egress over all of the Common Areas. Such easements may be used by Declarant's successors, purchasers and all Unit Owners, their guests, tenants and invitees, residing or temporarily visiting the Project, for pedestrian walkways, access and such other purposes reasonably necessary to use and enjoyment of a Unit in the Project. Such easements shall be appurtenant to and shall pass with the title to every Unit conveyed. All Unit walls shall be considered to adjoin and abut the wall of the contiguous Unit against the surface from the bottom of the foundation of the building. Such right of use shall be as not to interfere with the use and enjoyment of the owners of adjoining Units, and, in the event that any such contiguous wall is damaged or injured from any cause other than the act or negligence of one of the Unit Owners, the same shall be repaired or rebuilt at their joint expense. In the event any portion of the Common

Elements encroaches upon any Unit or any Unit encroaches upon the Common Elements as a result of the construction, reconstruction, repair, shifting, settlement or movement of any portion of the Project, a valid easement for the encroachment and for the maintenance of the same shall exist so long as the encroachment exists.

Section 6. Priorities and Inconsistencies

If there are conflicts or inconsistencies between this Declaration and either (1) any Proprietary Lease or (2) the Bylaws, the terms and provisions of this Declaration shall prevail. If there are conflicts or inconsistencies between this Declaration and the Airport Lease or any laws, regulations or ordinances governing Palmer Airport, the Airport Lease and applicable laws, regulations or ordinances shall prevail.

Section 7. Service of Process

The name and residence of the person to receive service of process in the cases provided for in the Act is:

PAAQ Hangar Association
Attn. David C. Cruz
3852 Clark Wolverine Rd.
Palmer, AK 99645

Section 8. Counterparts

This Declaration may be executed in multiple counterparts, but all such counterparts shall together constitute a single, complete and fully-executed document.

[Signatures appear on following pages.]

DECLARANT:
CIG, LLC, an Alaska
limited liability company

By: _____
Its: Manager

STATE OF ALASKA)
) ss.
THIRD JUDICIAL DISTRICT)

THIS IS TO CERTIFY that on the ___ day of _____, 2019, before me the undersigned, a Notary Public in and for the State of Alaska, duly commissioned and sworn, personally appeared Dana M. Cruz, to me known to be the Manager of CIG, LLC, the limited liability company named above, and known to me to be the person named herein and who executed the foregoing DECLARATION for and on behalf of said corporation by authority duly vested in him, and acknowledged before me that she signed the same as her free and voluntary act and deed, for the uses and purposes therein set forth.

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

Notary Public in and for Alaska
My commission expires: _____

[Signatures continue on following pages.]

PAAQ HANGAR ASSOCIATION, an
Alaska non-profit corporation

By: _____
Its: President

STATE OF ALASKA)
) ss.
THIRD JUDICIAL DISTRICT)

THIS IS TO CERTIFY that on the ____ day of _____, 2019, before me the undersigned, a Notary Public in and for the State of Alaska, duly commissioned and sworn, personally appeared David C. Cruz, to me known to be the President of PAAQ Hangar Association, the Alaska non-profit corporation named above, and known to me to be the person named herein and who executed the foregoing DECLARATION for and on behalf of said corporation by authority duly vested in him, and acknowledged before me that he signed the same as his free and voluntary act and deed, for the uses and purposes therein set forth.

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

Notary Public in and for Alaska
My commission expires: _____

[Signatures continue on following pages.]

CITY OF PALMER

By: _____

Its: _____

STATE OF ALASKA)
) ss.
THIRD JUDICIAL DISTRICT)

THIS IS TO CERTIFY that on the ___ day of _____, 2019, before me the undersigned, a Notary Public in and for the State of Alaska, duly commissioned and sworn, personally appeared _____, to me known to be the _____ of the City of Palmer, and known to me to be the person named herein and who executed the foregoing DECLARATION for and on behalf of the City of Palmer by authority duly vested in him/her, and acknowledged before me that he/she signed the same as his/her free and voluntary act and deed, for the uses and purposes therein set forth.

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

Notary Public in and for Alaska
My commission expires: _____

EXHIBIT A

PLAT
[Attached]

EXHIBIT "A"

PMA LEASE NO. 19-001

PALMER MUNICIPAL AIRPORT: BLOCK 3, LEASE LOT 12

A.K.A. 780 EAST YUKON STREET, PALMER, AK. 99645

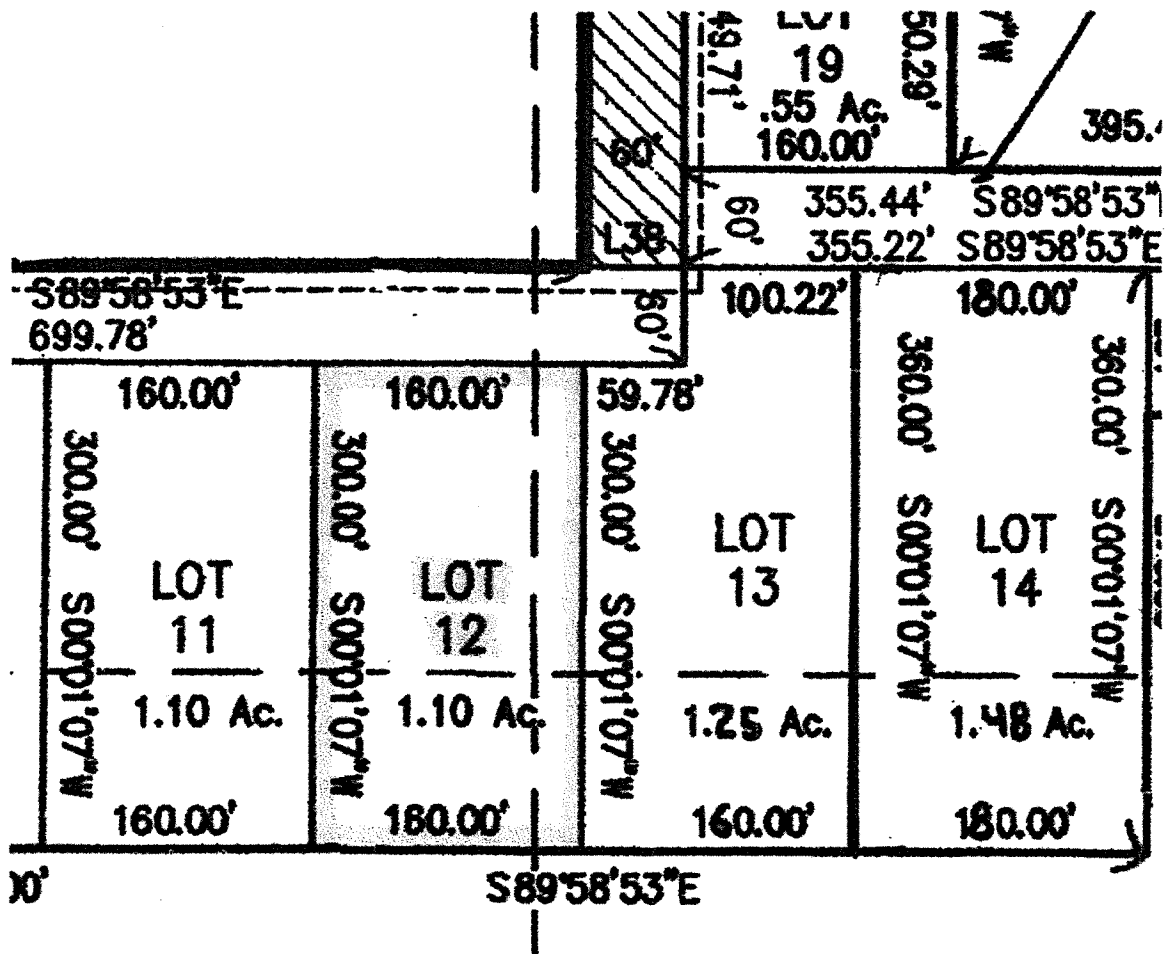
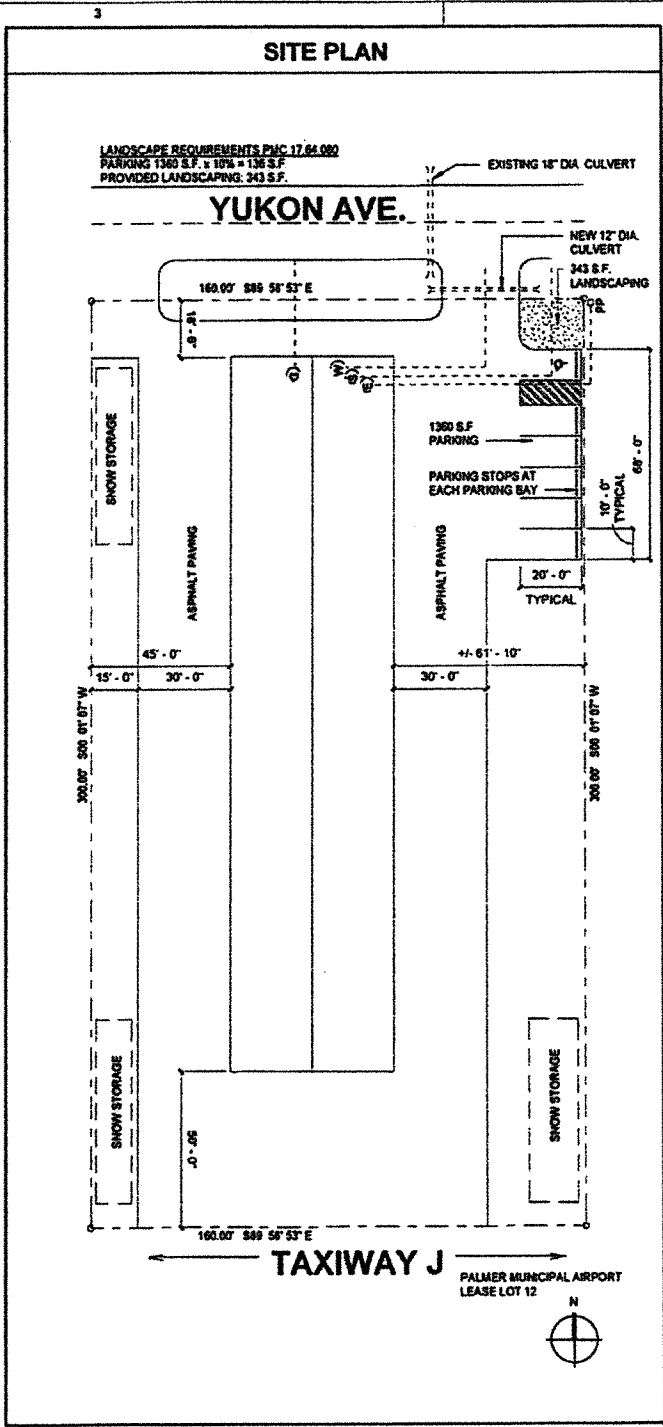


EXHIBIT B

DETAILED SITE PLAN
[Attached]



DRAWING INDEX

GENERAL

G101 DRAWING INDEX, ABBREVIATIONS,
DRAWING CONVENTIONS, CODE
INFORMATION, STATE MAP, VICINITY
MAP, GENERAL NOTES

ARCHITECTURAL

A101 FLOOR PLAN, ROOF PLAN
 A201 EXTERIOR ELEVATIONS
 A301 BUILDING SECTIONS
 A601 DOOR SCHEDULE

STRUCTURAL

S01 STRUCTURAL NOTES
 S11 FOUNDATION PLAN
 S21 SLAB PLAN, INSULATION PLAN
 S31 FOUNDATION DETAILS

MECHANICAL

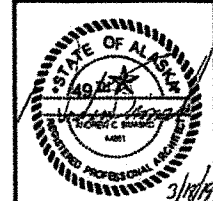
M01 MECHANICAL LEGEND AND SCHEDULES
 M11 HEATING AND VENTILATION PLAN
 M21 PLUMBING PLAN
 M31 DETAILS

ELECTRICAL

E01 LEGEND
 E11 HAZARDOUS ELECTRICAL REQUIREMENTS
 E21 LIGHTING PLAN
 E31 POWER AND SIGNAL PLAN
 E41 ONE-LINE DIAGRAMS, DETAILS, AND SCHEDULES

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PALMER

AIRCRAFT HANGAR

PALMER, AK 99645

EXHIBIT C

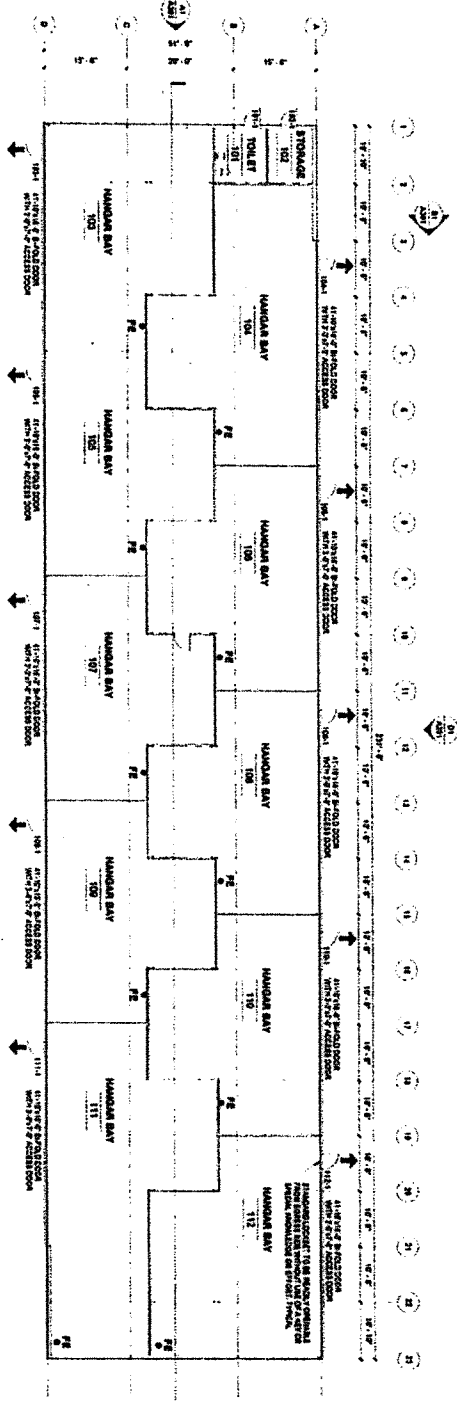
**SCHEDULE OF UNIT SIZE, VOTING RIGHTS,
AND UNDIVIDED INTERESTS
IN OWNERSHIP AND COMMON EXPENSES OF ASSOCIATION**

Units 1-10 to be constructed in sizes ranging from approximately 1000 to 1,500 square feet. A detailed drawing showing each unit is attached as page two of Exhibit C.

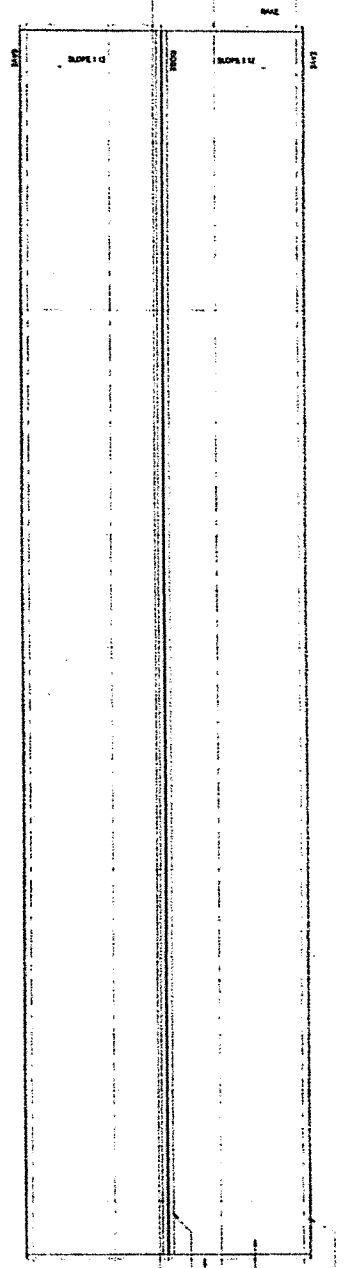
Each Unit shall have one vote in the Association.

The ownership interest in the Association and the percentage of Common Expenses shall be allocated in proportion to the square footage of floor space of each individual Unit, divided by the total square footage of floor space of all Units (excluding Common Areas).

10 FLOOR PLAN



11 ROOF PLAN



LIFE SAFETY LEGEND

- NOT LOCATED (Labeled 10-10)
- ▲ EST. OCCUPANCY

	PROJECT NO. 200-01010 SHEET NO. 10101 DATE 03/19/2019		PALMER AIRCRAFT HANGAR PALMER, AK 99645	SHEET NO. A101
	DRAWN BY: [Name] CHECKED BY: [Name]			

EXHIBIT D

**[Form] Proprietary Lease
[attached]**

**PAAQ HANGAR ASSOCIATION
PROPRIETARY LEASE
WITH _____
AS TO UNIT NO. ____
OF THE PAAQ HANGAR COOPERATIVE**

THIS PROPRIETARY LEASE, made and entered into this ____ day of _____, 20____, by and between PAAQ Hangar Association (hereinafter the "Association"), Lessor, an Alaska nonprofit corporation, having an address of: 3852 Clark Wolverine Rd., Palmer, AK 99645, Attn. David C. Cruz and _____, as Tenant, having an address of _____ (hereinafter "Member"), Lessee.

WHEREAS, through Declarant, the Association obtained a lease from the City of Palmer as the Palmer Airport (hereinafter "Airport Lease") as to the following described property (hereinafter "Leased Premises"):

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 in an unrecorded plat dated June 27, 2005 as follows:

Palmer Municipal Airport, Block 3, Lease Lot 12 A.K.A. 780 East Yukon Street, Palmer, Alaska 99645, PMA Lease No. 19-001.

WHEREAS, Declarant constructed an aircraft hangar facility (hereinafter "PAAQ Hangars" on the Leased Premises; and

WHEREAS, the Association was formed for the purpose of operating a leasehold cooperative under the Alaska Common Interest Ownership Act (AS 34.08) as to the PAAQ Hangars, with the intent that Association Members shall have the right to occupy and use the PAAQ Hangars and its individual units under the terms and conditions hereinafter set forth; and

WHEREAS, this agreement is a Proprietary Lease as defined by AS 34.08.990(25), subject to the Declaration of the PAAQ Hangar Association, among other instruments;

NOW, THEREFORE, for valuable consideration paid to Declarant, CIG, LLC, receipt of which is hereby acknowledged, and in consideration of the mutual promises contained herein, the Association hereby subleases to the Member, and the Member hereby takes from the Association, Unit No. ____.

TO HAVE AND TO HOLD said unit unto the Member, his executors, administrators and authorized assigns, on the terms and conditions set forth herein, commencing on the date of this Proprietary Lease, and terminating at the date and time PMA Lease No 19-001, including any

Return to:
Holland & Hart LLP
1029 W. Third Avenue, Suite 550
Anchorage, AK 99501

amendments thereto, terminates unless terminated earlier in accordance with the terms of the Declaration of PAAQ Hangar Association.

ARTICLE 1
DEFINITIONS

Capitalized terms contained in this Proprietary Lease shall have the same definitions and meanings set forth in the Declaration.

ARTICLE 2
MEMBER'S RIGHTS

In return for the Member's continued fulfillment of the terms and conditions of this Proprietary Lease, the Association covenants that the Member may, at all times while this Proprietary Lease remains in effect, have and enjoy for the Member's sole use and benefit the unit above described, and may enjoy in common with all other Members of the Association the use of all common community property and facilities.

ARTICLE 3
COMPLIANCE WITH AIRPORT LEASE

The Member acknowledges his understanding of and agrees to be bound by and to comply with all terms of the Airport Lease as if a lessee thereunder. The Member acknowledges his rights under this Proprietary Lease are subject to the Airport Lease. The Member also acknowledges and agrees his rights under this Proprietary Lease are invalid and ineffective unless and until the City of Palmer executes a Consent to Proprietary Lease as set forth in the Airport Lease, and the Member, in writing, agrees to be bound by the terms and conditions of the Airport Lease. The Member also acknowledges and agrees that before subletting any interest, the Member shall first be required to get the consent of the Association and the consent of the City of Palmer. The Member shall also require any sublease to contain and require every Sublessee to abide by the terms of the Airport Lease, including all insurance requirements.

ARTICLE 4
**COMPLIANCE WITH DECLARATION, ARTICLES,
BYLAWS, AND RULES AND REGULATIONS**

The Member agrees to preserve and promote the cooperative ownership principles on which the Association has been founded. The Member acknowledges his understanding of and agrees to be bound by and to comply with all of the terms of the Declaration, Articles of Incorporation, Bylaws, rules and regulations of the Association, and any amendments and additions thereto.

ARTICLE 5
USE AND OCCUPANCY OF PREMISES

The Member shall utilize the above described unit for himself and/or his guests and invitees, subject to the following restrictions:

The units may be used for any purpose authorized or allowed under the Airport Lease and the Declaration. The units shall not be used for any unlawful purpose or for any purpose or use that may constitute a nuisance or hazard to health, safety or property. The units shall not 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 Airport. No unit may be used for any residential occupancy.

The Member shall not permit or suffer anything to be done or kept upon the common interest community which will increase the rate of insurance on the building, or on the contents thereof, or which will obstruct or interfere with the rights of other occupants, or annoy them by unreasonable noises or otherwise, nor will he commit or permit any nuisance on the common interest community, or commit or suffer any illegal act to be committed thereon. If by reason of the use of the premises by the Member the rate of insurance on the building shall be increased, the Member shall become personally liable for the additional insurance premiums.

ARTICLE 6
ALTERATIONS AND ADDITIONS

The Member agrees to comply with the architectural standards set out in the Declaration. The Member shall not, without the prior written consent of the Association, make any structural alterations on the premises or in the water, gas or pipes, electrical conduits, plumbing or other fixtures connected therewith, or remove any additions, improvements or fixtures from the unit.

If the Member for any reason abandons the above referenced unit, he shall surrender to the Association possession thereof, including any alterations, additions, fixtures and improvements.

ARTICLE 7
TRANSFER OF INTEREST

The Member may transfer his rights and membership, but only as allowed herein and under the Declaration. Transfer of a Member's right under this Proprietary Lease requires prior written consent by the Association, which consent will require compliance with all terms of this Proprietary Lease, payment of all amounts owed to the Association, and execution by the transferee of a Proprietary Lease. Transfer of the Member's rights is also subject to written consent by the City of Palmer, which consent will require execution of certain documents, including a Consent to Proprietary Lease (Exhibit E to Declaration) and Termination of Proprietary Lease (Exhibit G to Declaration).

ARTICLE 8
MANAGEMENT, TAXES AND INSURANCE

The Association shall provide necessary management, operation and administration of the common interest community, pay or provide for the payment of all taxes or assessments levied against any common areas of the common interest community; procure and pay or provide for the payment of fire insurance and extended coverage, and other insurance as required by any mortgage on property in the common interest community, and such other insurance as the Association may deem advisable on the property in the common interest community. The Association will not, however, provide insurance of any kind, whether liability or any other, on the Member's interest in the unit or on the Member's personal property, unless the Board of Directors of PAAQ Hangar Association authorizes and charges Unit Owners for same pursuant to the Declaration, including any amendments.

ARTICLE 9
UTILITIES AND TAXES

The Association shall provide access to electricity for the unit, and may provide water, sewer, trash removal and other utilities if it deems them reasonable and appropriate. The Member shall pay directly for electricity and all other utilities not provided by the Association, and all personal and property taxes assessed on the unit.

ARTICLE 10
COMMON EXPENSES

The Member agrees to pay to the Association the Member's proportionate share of the common expenses, as defined in the Declaration and determined by the Board of Directors. The common expenses shall include, but not be limited to, the following items:

- (a) The costs of all management, operation and administration of the common interest community and related services furnished, including payments on the Airport Lease;
- (b) The cost of any necessary repairs and restoration to the Association's property;
- (c) The amount of all taxes and assessments levied against the common interest community, including the building, which the Association is obligated to pay;
- (d) The cost of fire and extended coverage insurance on the common interest community and such other insurance as the Association may effect or as may be required by any mortgage on the common interest community;
- (e) The cost of obtaining or furnishing any utilities as services related to the common areas;

- (f) All reserves set up by the Board of Directors pertaining to the common interest community;
- (g) The estimated cost of future repairs, maintenance and replacements, or Capital Improvement Assessments of the common interest community property to be made by the Association;
- (h) Any other expenses of the Association approved by the Board of Directors, including operating deficiencies, if any, for prior periods; and
- (i) All other common expenses set out in the Declaration.

The Board of Directors shall determine the amount of the common expenses annually, but may do so at more frequent intervals should circumstances so require. No Member shall be charged with more than his proportionate share thereof as determined by the Board of Directors. The Board of Directors shall determine the timing of payment of the common expenses.

ARTICLE 11 **SPECIAL ASSESSMENTS**

The Member agrees to pay all Special Assessments and such other amounts, as set forth in the Declaration.

ARTICLE 12 **LATE CHARGES AND OTHER COSTS IN CASE OF DEFAULT**

The Member agrees that, in addition to the other sums that have become or will become due, pursuant to the terms of this Proprietary Lease, the Member shall pay to the Association a late charge in an amount to be determined from time to time by the Board of Directors for each payment of Common or Special Assessments, or part thereof, more than ten (10) days in arrears.

If a Member defaults in making a payment of Common or Special Assessments, or in the performance or observance of any provision of this Proprietary Lease, and the Association has obtained the services of any attorney with respect to the defaults involved, the Member covenants and agrees to pay to the Association any costs or fees involved, including reasonable attorney's fees, notwithstanding the fact that a suit has not yet been instituted. In case a suit is instituted, the Member shall also pay the costs of the suit in addition to other aforesaid costs and fees.

ARTICLE 13 **INDEMNITY AND HOLD HARMLESS**

To the full extent permitted by law, the Member agrees to indemnify, defend, and hold harmless the Association, each and every other Member of the Association, the Declarant, and the City of Palmer from and against any and all losses, claims, damages, liabilities and obligations, of any kind or nature, including reasonable attorney's fees and costs, arising out of or relating in any

way to the use or occupancy of the Member's unit or the PAAQ Hangars common areas, limited common areas or facilities.

ARTICLE 14
SUBORDINATION CLAUSE

The common interest community, of which the unit is a part, is located on real property owned by the City of Palmer and leased to the Association. The parties hereto agree that this Proprietary Lease and all rights, privileges and benefits hereunder are and shall be at all times subject to and subordinate to the leasehold rights of the City of Palmer, and also to any mortgage or deed of trust which may at any time hereafter be placed on the property of the Association or any part thereof. The Member hereby agrees to execute, at the Association's request and expense, any instrument which the Association or the City of Palmer or any lender may deem necessary or desirable to effect the subordination of this Proprietary Lease, and the Member hereby appoints the Association and each and every officer thereof, and any future officer, his irrevocable attorney-in-fact during the term hereof to execute any such instrument on behalf of the Member. The Member does hereby expressly waive any and all notices of default and notices of termination of the Airport Lease or foreclosure of any mortgage or deed of trust on the Association's leasehold which may be required by law.

In the event a waiver of such notices is not legally valid, the Member does hereby constitute the Association his agent to receive and accept such notices on the Member's behalf.

ARTICLE 15
DEFAULT BY MEMBER

Any of the following events shall constitute a default by the Member:

- (a) The Member ceases to be the owner and legal holder of a membership in the Association;
- (b) The Member attempts to transfer or assign his interest in a manner inconsistent with the provisions of the Declaration or Airport Lease;
- (c) Anytime during the term of this Proprietary Lease the Member is declared bankrupt under the laws of the United States, except with the consent of the Board of Directors;
- (d) Anytime during the term of this Proprietary Lease a receiver of the Member's property is appointed under any of the laws of the United States or of any state, except with the consent of the Board of Directors;
- (e) The Member makes a general assignment for the benefit of creditors;

- (f) The Member's interest in the cooperative is levied upon and sold under the process of any court;
- (g) The Member fails to pay any sum owed to the Association under this Proprietary Lease, the Declaration or otherwise; or
- (h) The Member fails to abide by the terms of this Proprietary Lease, the Airport Lease, the Declaration, or the Association's Articles, Bylaws, or rules and regulations in effect at the time.
- (i) The Member fails to provide a proper Certificate of Insurance to the City of Palmer of the Unit Owners individual liability insurance.

Upon default, the Association may at its option give to the Member a notice that this Proprietary Lease will expire at a date not less than ten (10) days thereafter. If the Association so proceeds, all of the Member's rights under this Proprietary Lease will expire on the date so fixed in such notice, unless in the meantime the default has been cured in a manner deemed satisfactory by the Association. It is the intention of the parties hereto to create hereby conditional limitations, and it shall thereupon be lawful for the Association to reenter the unit and to evict all persons and personal property therefrom in the same manner as provided by law in case of an unlawful holdover by a commercial tenant. Further, in the event of a default, the Association shall be entitled to all other remedies set forth in the Declaration or available under law.

The failure on the part of the Association to avail itself of any of the remedies given under this Proprietary Lease or at law shall not waive or destroy the right of the Association to avail itself of such remedies for similar or other breaches on the part of the Member.

ARTICLE 16 **NOTICES**

Whenever the provisions of law, the Declaration or this Proprietary Lease require notice to be given to the other party hereto, any notice by the Association to the Member shall be deemed to have been duly given, and any demand by the Association upon the Member shall be deemed to have been duly made, if the same is delivered to the Member at the Member's last known address; and any notice or demand by the Member to the Association shall be deemed to have been duly given if delivered to the office of the Association. Notice may also be given by depositing same in the United States mail, and the time of mailing shall be deemed to be the time of giving of such notice.

ARTICLE 17 **REPRESENTATIONS**

No representations other than those expressly contained in this Proprietary Lease, the Declaration, the Articles of Incorporation and the Bylaws of the Association shall be binding upon the Association.

ARTICLE 18
REMEDIES

The exercise of any of the rights nr remedies as herein provided with respect to any default shall not preclude or affect the subsequent exercise of such rights or remedies at different times for different defaults.

The respective rights or remedies, whether provided by this Proprietary Lease or by law or available in equity, shall be cumulative, and the exercise of any one or more of such rights or remedies shall not preclude or affect the exercise, at the same or at different times, of any other rights or remedies for the same or different defaults, or for the same or different failures of the Member to perform or observe any provision of this Proprietary Lease.

ARTICLE 19
GENDER REFERENCE

Any reference to the word “his” herein shall he interpreted to read and mean the word “her” in the event the Member is female, and the word “their” in the event the Member is a couple.

ARTICLE 20
GOVERNING LAW

This Proprietary Lease shall be governed by Alaska law.

[Signatures appear on following page(s)]

IN WITNESS WHEREOF, the parties have caused this Proprietary Lease to be signed the day and year first above written.

PAAQ Hangar Association

Date: _____

By _____
Its _____

Date: _____

By _____
Its _____

STATE OF ALASKA)
) ss.
THIRD JUDICIAL DISTRICT)

THIS IS TO CERTIFY that on the _____ day of _____, 20____, before me the undersigned, a Notary Public in and for the State of Alaska, duly commissioned and sworn, personally appeared _____, to me known to be the _____ of PAAQ Hangar Association, the corporation named above, and known to me to be the person named herein and who executed the foregoing PROPRIETARY LEASE for and on behalf of said corporation by authority duly vested in him/her, and acknowledged before me that he/she signed the same as his/her free and voluntary act and deed, for the uses and purposes therein set forth,

Return to:
Holland & Hart LLP
1029 W. Third Avenue, Suite 550
Anchorage, AK 99501

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

Notary Public in and for Alaska
My commission expires:

Date: _____

[insert name]

STATE OF ALASKA)
) ss.
THIRD JUDICIAL DISTRICT)

THIS IS TO CERTIFY that on the _____ day of _____, 20____,
before me the undersigned, a Notary Public in and for the State of Alaska, duly commissioned and
sworn, personally appeared _____ to me known to be the
person named herein and who executed the foregoing PROPRIETARY LEASE, and
acknowledged that he/she signed the same as his/her free and voluntary act and deed, for the uses
and purposes therein mentioned.

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

Notary Public in and for Alaska
My commission expires:

EXHIBIT E

**[Form] Consent to Proprietary Lease
[Attached]**

CONSENT TO PROPRIETARY LEASE

The attached Proprietary Lease from PAAQ Hangar Association (hereinafter “Proprietary Lessor”) to _____ (hereinafter “Proprietary Lessee”) is hereby accepted and approved, subject to the terms and conditions of the original Airport Lease dated January 8, 2019, by and between the City of Palmer, Lessor, and PAAQ Hangar Association, Lessee, Palmer Municipal Airport Lease Agreement No. 19-001, and subsequent amendments thereto and assignments thereof. Said Airport Lease covers a parcel of land located within the City of Palmer, which is described as follows:

Palmer Municipal Airport, Block 3, Lease Lot 12, A.K.A. 780 East Yukon Street, Palmer, Alaska 99645, Palmer Municipal Airport Lease No. 19-001 (hereinafter referred to as “Leased Premises”).

This Consent to Proprietary Lease pertains to Unit _____ of the foregoing Leased Premises.

This consent is given by the City of Palmer without waiving any right of action or releasing Proprietary Lessor or any subsequent Proprietary Lessee(s) from any liability or responsibility under the aforementioned Lease, subsequent amendments thereto, and assignments thereof.

In consideration of the consent of the City of Palmer to this Proprietary Lease, the Proprietary Lessor unconditionally guarantees performance by the Proprietary Lessee of all terms and conditions of the aforementioned Lease, subsequent amendments thereto and assignments thereof.

Neither this Proprietary Lease nor the acceptance of rent by the City of Palmer from Proprietary Lessee shall release, relieve or in any manner modify the obligations of Proprietary Lessor under the terms and conditions of the Lease, subsequent amendments thereto and assignments thereof.

In consideration of the consent to the City of Palmer to this Proprietary Lease, the Proprietary Lessee hereby agrees that its rights are subject to all rights, duties and liabilities of Proprietary Lessor pursuant to the terms and conditions of the aforementioned Airport Lease, subsequent amendments thereto and assignments thereof.

In consideration of the consent of the City of Palmer, the Proprietary Lessee agrees to be bound by all valid claims and valid defenses which may now exist or may hereafter develop between the City of Palmer and the Proprietary Lessor.

In consideration of the consent of the City of Palmer to this Proprietary Lease, the Proprietary Lessor and Proprietary Lessee shall each secure and keep in force during the term of this agreement adequate insurance satisfactory to the City of Palmer with an insurer approved by the City of Palmer to protect the City of Palmer, the Declarant, the Proprietary Lessor and Proprietary Lessee against comprehensive public liability for bodily injury and property damage. The amount of insurance required of the Proprietary Lessor is set forth in the Airport Lease, and is subject to change pursuant to the Airport Lease by the City of Palmer. The amount of insurance required of the Proprietary Lessee shall be equal to or provide greater coverage than that required of the Proprietary Lessor. The current insurance requirements for any Proprietary Lessor or Sublessee are set forth in Exhibit I.

The Proprietary Lessor and Proprietary Lessee shall each provide the City of Palmer with proof of insurance coverage in the form of a certificate of insurance prior to execution of this Consent to Proprietary Lease by the City of Palmer. All insurance required by this covenant shall:

- a. name the City of Palmer as an additional insured;
- b. provide that the City of Palmer be notified at least thirty (30) days prior to any termination, cancellation or material change in the insurance coverage;

CONSENT TO PROPRIETARY LEASE

- c. include a waiver of subrogation by which the insurer waives all rights of subrogation against the City of Palmer for payments made under the policy;
- d. be submitted on the City of Palmer insurance Form, attached hereto as Exhibit "A," with copies of the Declaration and Endorsement pages attached thereto; and
- e. not contain a damage deductible for each and every loss that exceeds One Thousand Dollars (\$1,000).

Nothing in this consent is to be construed as a representation, ratification or approval by the City of Palmer, either express or implied, as to the validity of any of the terms, conditions or provisions of any agreement, sublease and/or assignment document between Proprietary Lessor and Proprietary Lessee.

Nothing in this consent is to be construed as a consent by the City of Palmer to any subsequent transaction. Any further mortgage, pledge, hypothecation, encumbrance, transfer, sublease or assignment (hereinafter in this clause referred to collectively as "encumbrance") of Lessee's or Sublessee's interests in the Leased Premises, or any part or portion thereof, shall first be approved in writing by Lessor. In the event there is an existing Proprietary Lease or other encumbrance which has not been approved in writing by Lessor, such Proprietary Lease or other encumbrance must be disclosed and consented to in writing by Lessor prior to this Consent to Proprietary Lease becoming effective. Failure to obtain Lessor's required written approval of a prior or subsequent encumbrance will render such encumbrance voidable and, at Lessor's election, shall constitute a default. Occupancy of the Leased Premises or any part or unit thereof by a prospective transferee, sublessee or assignee before approval of the transfer, sublease or assignment by Lessor shall constitute a breach of the Lease.

If the Proprietary Lessee hereunder is a corporation, unincorporated association, partnership or joint venture, the encumbrance, transfer or sale of any stock or interest in said

CONSENT TO PROPRIETARY LEASE

corporation, association, partnership or joint venture, in the aggregate exceeding twenty-five percent (25%) shall be deemed an assignment within the meaning of the Lease.

By signature below, the Proprietary Lessor and Proprietary Lessee accept the terms and conditions hereof, the Proprietary Lessee acknowledges the terms and conditions of the aforementioned Lease, subsequent amendments thereto and assignments thereof; and the Lessor consents to the Proprietary Lease.

PROPRIETARY LESSOR:

PROPRIETARY LESSEE:

PAAQ Hangar Association

By: _____

By: _____

Its: President _____

Date: _____

Date: _____

By: _____

Date: _____

CONSENT TO PROPRIETARY LEASE

CITY OF PALMER

By: _____
Frank J. Kelly
Airport Superintendent

Date: _____

STATE OF ALASKA)
) ss.
THIRD JUDICIAL DISTRICT)

THIS IS TO CERTIFY that on the ___ day of _____, 20___, before me the undersigned, a Notary Public in and for the State of Alaska, duly commissioned and sworn, personally appeared _____ to me known to be the _____ of PAAQ Hangar Association, the corporation named above, and known to me to be the person named herein and who executed the foregoing CONSENT TO PROPRIETARY LEASE for and on behalf of said corporation by authority duly vested in him, and acknowledged before me that he signed the same as his free and voluntary act and deed for the uses and purposes therein set forth.

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

Notary Public in and for Alaska
My commission expires:

STATE OF ALASKA)
) ss.
THIRD JUDICIAL DISTRICT)

THIS IS TO CERTIFY that on the ___ day of _____, 20___, before me the undersigned, a Notary Public in and for the State of Alaska, duly commissioned and sworn, personally appeared _____ (Proprietary Lessee), known to me to be the identical individual named herein and who executed the foregoing CONSENT TO PROPRIETARY LEASE, freely and voluntarily, 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: _____

CONSENT TO PROPRIETARY LEASE

STATE OF ALASKA)
) ss.
THIRD JUDICIAL DISTRICT)

THIS IS TO CERTIFY that on the _____ day of _____, 20____, 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 CONSENT TO PROPRIETARY LEASE as Airport Superintendent 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: _____

12391888_v1

CONSENT TO PROPRIETARY LEASE

EXHIBIT F

City of Palmer Form for Buyers



CITY OF PALMER

231 West Evergreen Avenue
Palmer, Alaska 99645
Phone (907) 745-3271 • Fax (907) 745-0930
www.cityofpalmer.org

PAAQ Hangar Association: Unit No. _____

Aircraft Number(s): _____

Owner(s): _____

Proposed Use: _____

Mailing Address: _____

Physical Address: _____

Telephone: Work: _____ Home: _____ Cell: _____

Email Address: _____

In case of Emergency and the primary owner is not available:

Name: _____

Mailing Address: _____

Telephone: Work: _____ Home: _____ Cell: _____

Owners Signature(s): _____

Date: _____

EXHIBIT G

[Form] PAAQ Hangar Association "T-Hangar Rental Agreement" [Attached]

PAAQ HANGAR ASSOCIATION

“T-HANGAR RENTAL AGREEMENT”

DATE: _____

LANDLORD: UNIT NO. _____ OWNER: _____
AND THE PAAQ HANGAR ASSOCIATION

TENANT: _____
(Name) (Address)

(Phone) (Cell) (Email)

TERM: _____

RENTAL PRICE: _____

COVENANTS OF RENTAL AGREEMENT

- Rental Space is defined as Unit No. _____ Lease Lot 12, Block 3, Palmer Municipal Airport and the common areas associated with the PAAQ Hangar Association property, a.k.a. Unit No. _____ 780 East Yukon Street, Palmer, AK. 99645.
- Tenant agrees to abide by all of the rules and regulations of the PAAQ Hangar Association now or promulgated in the future.
- Tenant agrees to be bound by the same conditions as the Unit Owners underlying “Proprietary Lease” with the PAAQ Hangar Association as part of this rental agreement.
- Rental Space is dedicated to aircraft storage, maintenance and associated aeronautical activities. Tenant agrees to abide by the City of Palmer “Hangar Use Policy” (attached).
- Tenant is expected to maintain an orderly operation on the premises and may not encroach upon or block access of the other unit owners. The primary concern being personnel safety and fire safety.
- Hazardous materials or flammable materials may not be stored in the rental space. Unattended battery charging of any type, including UPS batteries violates the terms of this agreement. Batteries may be charged in a safe location within the rental space during times that tenant is present or reasonably nearby.
- Tenant may not modify the rental space without the written and specific approval of the Landlord.
- Tenant must expect occasional inspections by Landlord. Such inspections will be conducted only in the presence of the Tenant and at times convenient to the Tenant, except in an emergency.
- Tenant is responsible for the cost of any damage sustained by the assets and activities of others as a result of Tenant’s occupancy.
- No insurance is provided by the Landlord to cover any loss whatsoever of the Tenant or Tenants activities or guests. Neither asset loss, personal loss, business loss shall be the responsibility of the Landlord. Tenant agrees to defend and save the Landlord and the City of Palmer harmless

(May 2019)

from any and all claims, including cross claims and counterclaims that may arise from Tenants occupancy.

- The Landlord and the City of Palmer, shall be included as additionally insured on Tenant’s general liability policy, premises policy, and all other relevant insurance policies, inclusive of all provisions outlined in the aforementioned “Proprietary Lease” agreement. Tenant shall provide Landlord and the City of Palmer adequate evidence of this requirement in the form of a certificate of insurance upon execution of this agreement.
- In addition to the terms of this rental agreement, Tenant agrees to abide by all relevant government ordinances, regulations, statutes, and policies and lease stipulations including but not limited to the Federal Government, the State of Alaska, The Mat-Su Borough and the City of Palmer that may directly or indirectly effect the use of the rental space.
- This agreement may be terminated with _____ day’s written notice by either Landlord or Tenant.

LANDLORD:

Unit No. _____ Owner: _____
(Printed Name)

Date

TENANT:

(Printed Name)

Date

PAAQ HANGAR ASSOCIATION:

President: _____
(Printed Name)

Date

CITY OF PALMER:

(Printed Name & Title)

Date

EXHIBIT H

**[Form] Termination of Proprietary Lease
[Reserved]**

EXHIBIT I
(To Proprietary Lease)

PMA No. 19-001 Insurance Requirement

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.

PMA No. 19-001 Insurance Requirement

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.

A. CALL TO ORDER

A special meeting of the Palmer City Council was held on May 28, 2019, at 6:00 p.m. in the Council Chambers, Palmer, Alaska. Mayor DeVries called the meeting to order at 6:00 p.m.

B. ROLL CALL

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

Edna DeVries, Mayor	Linda Combs
Julie Berberich	Sabrena Combs
Steve Carrington	Pete LaFrance, Deputy Mayor

Council Member David Fuller was absent and excused.

Staff in attendance were the following:

Nathan Wallace, City Manager	Michael Gatti, City Attorney
Norma I. Alley, MMC, City Clerk	

C. PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was performed.

D. APPROVAL OF AGENDA

Main Motion: To Approve the Agenda

Moved by:	L. Combs
Seconded by:	Berberich
Vote:	6 Yes/0 No/1 Absent (Fuller)
Action:	Motion Carried

E. AUDIENCE PARTICIPATION

None.

F. NEW BUSINESS

1. Committee of the Whole: Presentation from Alaska Department of Transportation Project Engineer Todd Smith Regarding the Glenn Highway Reconstruction Project

The Council entered into a Committee of the Whole at 6:03 p.m.

Mr. Todd Smith, Alaska Department of Transportation Project Engineer, provided a summary of recent activity and expected activity on the Glenn Highway Reconstruction Project. Mr. Smith fielded general questions.

The Council adjourned from Committee of the Whole at 6:30 p.m. and reconvened the Regular Meeting.

G. RECORD OF ITEMS PLACED ON THE TABLE

None.

H. COUNCIL MEMBER COMMENTS

No direction given to staff for legislation to be placed on a future agenda.

I. ADJOURNMENT

With no further business before the Council, the meeting adjourned at 6:32 p.m.

Approved this ____ day of _____, 2019.

Norma I. Alley, MMC, City Clerk

Edna B. DeVries, Mayor

A. CALL TO ORDER

A regular meeting of the Palmer City Council was held on January 9, 2019, at 7:00 p.m. in the Council Chambers, Palmer, Alaska. Mayor DeVries called the meeting to order at 7:00 p.m.

B. ROLL CALL

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

Edna DeVries, Mayor	Sabrena Combs
Julie Berberich	David Fuller
Steve Carrington	Pete LaFrance, Deputy Mayor
Linda Combs	

Staff in attendance were the following:

Nathan Wallace, City Manager	Michael Gatti, City Attorney
Norma I. Alley, MMC, City Clerk	Lance Ketterling, Chief of Police

C. PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was performed.

D. APPROVAL OF AGENDA

1. Approval of Consent Agenda
 - a. Introduction to **Ordinance No. 19-010**: Amending Palmer Municipal Code Section 2.04.021 Creating Designated Council Seats
 - b. **Action Memorandum No. 19-048**: Authorizing the City Manager to Negotiate and Execute a Five-Year Contract with the Matanuska-Susitna Borough to Provide Fire Emergency Response to the Greater Palmer Fire Service Area
 - c. **Action Memorandum No. 19-049**: Removing Board Member Rhonda Wohlbach from the Planning & Zoning Commission
2. Approval of Minutes of Previous Meetings
 - a. April 16, 2019, Joint City Council and Planning & Zoning Commission Meeting

Main Motion: To Approve the Agenda, Consent Agenda, and Minutes

Moved by:	L. Combs
Seconded by:	Carrington
Vote:	7 Yes/0 No
Action:	Motion Carried

E. COMMUNICATIONS AND APPEARANCE REQUESTS

1. Presentation from Alaska Bible College Representative Ray Rose Regarding Parking and General Matters

Mr. Ray Rose, Alaska Bible College Vice President of Institutional Advancement, spoke to the purpose of Alaska Bible College (ABC), history of ABC, and future plans for ABC. Mr. Rose asked for the City's help in repairing the ABC parking lot.

F. REPORTS

1. City Manager's Report

City Manager Wallace entered his written report into the record.

2. City Clerk's Report

City Clerk Alley reported on the 2019 AML Summer Conference.

3. Mayor's Report

Mayor DeVries highlighted her written report, announced upcoming meetings, and requested nominations for Palmer Pride Picnic awards.

4. City Attorney's Report

None.

G. AUDIENCE PARTICIPATION

Mr. Larry Hill updated the Council of the Alaska's 49th State Street Rodders Car Show, expressed appreciation for the city's support for the event, and suggested the city look into a code enforcement committee.

Miss Cambria Palmer expressed her appreciation for the sidewalk and street plowing done by the city.

Ms. Kenda Huling testified on the itinerant vendor permit process, a fair process for all vendors, notice provided to all vendors, and code enforcement at events.

H. PUBLIC HEARING

1. **Ordinance No. 19-007:** Enacting Palmer Municipal Code Chapter 9.39 Pertaining to Excessive Police Responses

Council Member S. Combs summarized the legislative report as written in the packet.

Mayor DeVries opened the public hearing on Ordinance No. 19-007.

Mr. Caesar Marciales spoke in favor of Ordinance No. 19-007.

Mrs. Hillary Palmer spoke in favor of Ordinance No. 19-007.

Ms. Patty Haugom spoke in favor of Ordinance No. 19-007.

Ms. Kathy Bishop spoke in favor of Ordinance No. 19-007.

Ms. Megha Hammaker spoke in favor of Ordinance No. 19-007.

Hearing no objection from the Council, the public hearing was closed.

Main Motion: To Adopt Ordinance No. 19-007

Moved by:	L. Combs
Seconded by:	Fuller

Council Member Fuller asked for the city manager's and chief of Police's perspective on the ordinance. City Manager Wallace answered he was not sure this particular ordinance would solve the problems spoke about in public testimony; the city was not staffed for it; the legislation changes the city to an enforcement city versus compliance, puts the city into the eviction business, and had little enforcement behind it; enforcement would increase legal fees for injunction costs; and require additional staffing and resources.

Chief of Police Lance Ketterling expressed concern for the vagaries for staff that would have to enforce the ordinance, vagueness and subjective language, and potential lawsuits from civil rights organizations.

City Attorney Michael Gatti spoke to legal issues, injunction process, and potential increased cost for enforcement.

Motion to Postpone: To No Later Than September and Direct Staff to Provide a Substitute Ordinance with Recommended Staff Changes

Moved by:	Fuller
Seconded by:	L. Combs
Vote:	7 Yes/0 No
Action:	Motion Carried

- Ordinance No. 19-008:** Amending Palmer Municipal Code Chapter 2.18 Pertaining to Boards and Commissions Generally

Mayor DeVries called a recess at 8:29 p.m. The meeting reconvened at 8:41 p.m.

City Clerk Alley summarized the staff report.

Mayor DeVries opened the public hearing on Ordinance No. 19-008. Seeing no one come forward to speak and hearing no objection from the Council, the public hearing was closed.

Main Motion: To Adopt Ordinance No. 19-008

Moved by:	Fuller
Seconded by:	L. Combs
Vote:	7 Yes/0 No
Action:	Motion Carried

- Ordinance No. 19-009:** Amending Palmer Municipal Code Chapter 2.30 Pertaining to Board of Economic Development

City Clerk Alley summarized the staff report.

Mayor DeVries opened the public hearing on Ordinance No. 19-009.

Ms. Kenda Huling spoke in favor of Ordinance No. 19-009 and suggested adding a membership requirement that at least two members should own a business in city limits.

Hearing no objection from the Council, the public hearing was closed.

Main Motion: To Adopt Ordinance No. 19-009

Moved by:	Fuller
Seconded by:	L. Combs
Vote:	7 Yes/0 No
Action:	Motion Carried

I. NEW BUSINESS

None.

J. RECORD OF ITEMS PLACED ON THE TABLE

City Clerk Alley reported the city manager’s written report was the Item Placed on the Table.

K. AUDIENCE PARTICIPATION

None.

L. COUNCIL MEMBER COMMENTS

Council Member Fuller and Council Member L. Combs supported directing staff to report back on code enforcement options for the city.

M. ADJOURNMENT

With no further business before the Council, the meeting adjourned at 9:12 p.m.

Approved this ____ day of _____, 2019.

Norma I. Alley, MMC, City Clerk

Edna B. DeVries, Mayor

Mayor's Memo

Council Meeting report – June 25, 2019

NOTES AND UP COMING EVENTS

Scottish Games – Fair Grounds – June 29

Special Legislative Session – July 8 Wasilla Jr. High

Agenda Setting Meeting – July 11, August 1

Mayors/Manager Meeting – July 18

Palmer Pride Days – Palmer Depot – July 26

I am requesting Award Nominations for Palmer Pride – we do Citizen of the Year (last year there were two – Barbara Hunt and John Lee)

New Business of the Year - Oldest Business in Palmer

Golden Shovel (for best snow removal off sidewalks)

Yard Beautification awards – we give several of these each year.

Other awards – we are open to nominations, ideas and suggestions from the community.

We want and value your input and participation.

Edna DeVries Mayor

907-355-9933 edevries@palmerak.org



Position Statement Guidelines

The AML “Position Statement” is developed by the AML Legislative Position Committee, which is comprised of appointed or elected officials from member municipalities who have expertise and a firm understanding of local government roles and responsibilities. The Committee also includes one At-Large member, the AML Executive Director and the current AML board President.

Please review the Draft 2020 Position Statement and recommend changes along the following guidelines:

- AML Principles – these are not meant to be changed annually but inform the rest of the document.
- AML Legislative Priorities – these will come from the August legislative conference
- AML Federal Priorities – these will come from the August legislative conference
- AML Position Statements – these are statements that we encourage members to add to or suggest edits for

For changes to the position statements, consider their broad applicability and use:

- Are they consistent with our principles?
- Do they advance policy that is beneficial to local governments?
- Do they negatively impact any local government?
- Are they statewide or have statewide implications?
- Are they actionable?

The Legislative Position Committee will edit for brevity and applicability but ensure that changes reflect the intent of the sponsor. In order to ensure that the position statements remain true to the goal of reflecting the will of our members and AML’s philosophy and mission, changes to the position statements will be considered by both the committee and the membership.

For changes to the Draft 2020 Position Statement to be considered during the AML Summer Legislative Conference, they must be received no later than July 31, 2019. The Legislative Position Committee will review all recommended changes by August 15. The Draft 2020 Position Statement will then be sent to all members prior to the AML Annual Business meeting in November. For changes to be considered, members must send changes to the AML office no later than October 4, 2019. Changes to this document will not be accepted after this date.

The Position Committee shall debate and act upon suggested changes for final recommendations to the membership during the Position Committee meeting on November 20, 2019. If the Position Committee does not accept the change, the member’s governing body may bring it to the floor at the General Session on November 20, 2019 for action.

Those changes accepted by the Position Committee shall be discussed during the General Session on November 21, 2019 for incorporation into the Position Statement. The amended Position Statement shall be voted on by the full membership at the AML Business Meeting to be held on the morning of November 22, 2019.

Please email your resolutions to: nils@akml.org; fax to: (907) 463-5480; or mail to: AML, One Sealaska Plaza Suite 200, Juneau, AK 99801



AML Principles

- Support the Alaska Constitution’s mandate “to provide for maximum local self-government.”
- Support policies that reduce tax burdens on local government and reimburse for State-mandated exemptions.
- Support State revenue-sharing as an investment in and support for municipal governance.
- Support adequate State funding for basic public services and infrastructure, such as: education, public safety, health, emergency services, and transportation that is necessary for strong and vibrant municipalities.
- Oppose unfunded and underfunded State or Federal legislative and administrative mandates.
- Oppose any efforts to reduce local revenues and local revenue authorities.
- Oppose State or Federal policies that shift responsibilities to local governments without a negotiated agreement that includes adequate and full annual funding.

AML 2020 State of Alaska Legislative Priorities

AML 2020 Federal Congressional Priorities

AML Draft 2020 Legislative Position Statements

Municipal Governance (Title 29)

- Support increased capacity within and professionalization of State tax assessment.
- Support improvements to records retention, public records access, and public notice.
- Support issuance of a municipal impact fiscal note within proposed legislation.

Community Assistance and Revenue Sharing

- Support a baseline floor of \$60 million annually, and encourage a long-term, sustainable solution.
- Support a method to waive debt, forgive loans, or otherwise bolster “stressed” communities.

PERS/TRS Changes

- Support amendments to termination studies and penalties for leaving PERS/TRS.
- Support the development of a pathway to decrease overall unfunded liability.
- Oppose any cost shift of the State “on behalf” payment over 22%.

Fiscal Policy

- Support agency and programmatic efficiency and right-sizing, but oppose cost-shifting to municipalities and eliminating essential services.
- Support the development of a broad-based tax to increase state revenue.

Public Safety

- Increase officer recruitment and retention.
- Support and strengthen the VPSO program.
- Support state efforts to decrease access to and impacts from opioids.

Economic Development

- Support increased investment in diversification and small business development.
- Support increased investment in training and workforce development.
- Support state responsiveness to local economic development planning.

Education

- Support early childhood education, career and technical education, and preparing, attracting and retaining qualified educators.
- Support for accountability and assessment that meets federal requirements and maximizes local control.
- Oppose any reduction in school funding and support investment in infrastructure and deferred maintenance.

Fisheries

- Support for appropriately funded DF&G and increased investment in fisheries research and outreach.
- Support continued investment in port and harbor infrastructure.
- Support an active role in federal fisheries management, and clean water, as well as transboundary negotiations.

Energy

- Support for vetting of and investing in energy projects, processes and programs that decrease energy costs

Transportation

- Support the establishment of an Alaska Transportation Fund that can be used to match or supplement federal funding, and invest in multi-modal transportation infrastructure.

Minerals

- Support responsible resource development and the reduction of investment barriers alongside improved environmental risk management.
- Oppose additional state tax on mineral development and support robust local government property, or payment in lieu of, taxes.

Water, Wastewater and Sanitation

- Support increased State investment in maintenance and infrastructure upgrades.

**City of Palmer
Ordinance No. 19-011**

Subject: Amending Palmer Municipal Code Sections 2.04.041 and 2.05.030 Establishing Council Member and Mayor Term Limits

Agenda of: June 11, 2019 – Introduction
June 25, 2019 – Public Hearing

Council Action: **Adopted** **Amended:** _____
 Defeated




Originator Information:

Originator: Council Members Steve Carrington and David K. Fuller

Department Review:

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

Approved for Presentation By:

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

Certification of Funds:


Total amount of funds listed in this legislation: \$ **0.00**

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: 

Attachment(s):

- Ordinance No. 19-011

Summary Statement/Background:

To discuss the possibility of limiting the council members to two consecutive three-year terms and the mayor to two additional consecutive three-year terms. The ordinance does not address lifetime term limits.

Matters of consideration could be:

- How Many Consecutive Years to Serve
- How Many Consecutive Years to Wait Before Serving Again
- Date Term Limits Become Effective

Palmer Charter 3.2. **Terms of Office** states the terms of two councilmen shall expire each year, except that in each third year, counting from 1963, the terms of the Mayor and of two Councilmen shall expire. When appointments are made to fill vacancies in the manner provided by Section 2.13(a) of this Charter, appointees shall qualify for and assume the duties of office within ten days after appointment, unless such time be extended for not more than sixty days by the Council.

Palmer Municipal Code Section 2.04.041. **Term of office** states the term of office of each council member shall be for three years and shall commence on the Monday following his or her election.

Palmer Municipal Code Section 2.05.030. **Term of office** states the term of office of the mayor shall be for three years and shall commence on the Monday next following his or her election.

The intent of term limits is for council members to serve no more than two consecutive terms without taking a one-year break. It is not the intent for a council member to have a break in service between serving as a council member and mayor. A member of the council whom is elected to serve as the mayor, may serve two additional terms, for a total of four, at which time a break in service is required.

LEGISLATIVE HISTORY

Introduced by: Council Members
Carrington and Fuller
Date: June 11, 2019
Public Hearing: June 25, 2019
Action:
Vote:

Yes:	No:

CITY OF PALMER, ALASKA

Ordinance No. 19-011

An Ordinance of the Palmer City Council Amending Palmer Municipal Code Sections 2.04.041 and 2.05.030 Establishing Council Member and Mayor Term Limits

WHEREAS, the city council wished to explore the adoption of term limits for the council and mayor; and

WHEREAS, if adopted, the new language will become effective to terms of members of the council elected in the 2019 Regular Election and elected thereafter, so that no terms served prior to the 2019 Regular Election would count toward the term limits of terms served.

THE CITY OF PALMER, ALASKA, ORDAINS:

Section 1. Classification. This ordinance shall be permanent in nature and shall be incorporated into the Palmer Municipal Code.

Section 2. Severability. If any provisions of this ordinance or application thereof to any person or circumstances are held invalid, the remainder of this ordinance and the application to the other persons or circumstances shall not be affected thereby.

Section 3. Palmer Municipal Code Section 2.04.041 is hereby amended to read as follows (new language is underlined and deleted language is stricken):

2.04.041. Term of office

The term of office of each council member shall be for three years and shall commence on the Monday following ~~his or her~~ the election. A person serving as a council member may not serve for more than two consecutive, full terms without a break in service for at least one full year. No member of the council shall serve more than four consecutive terms, as the mayor and a council member, without a break in service for at least one full year. Years of service of an appointee filling a vacated seat does not count toward the total term limit.

Section 4. Palmer Municipal Code Section 2.05.030 is hereby amended to read as follows (new language is underlined and deleted language is stricken):

2.05.030. Term of office

The term of office of the mayor shall be for three years and shall commence on the Monday ~~next~~ following ~~his or her~~ the election. A person serving as the mayor may not serve for more than two consecutive, full terms without a break in service for at least one full year. No member of the

council shall serve more than four consecutive terms, as the mayor and a council member, without a break in service for at least one full year. Years of service of an appointee filling a vacated seat does not count toward the total term limit.

Section 5. Effective Date. Ordinance No. 19-011 shall take effect upon adoption by the city of Palmer City Council.

Passed and approved this _____ day of _____, 2019.

Edna B. DeVries, Mayor

Norma I. Alley, MMC, City Clerk

**City of Palmer
Ordinance No. 19-012**

Subject: Amending Palmer Municipal Code Section 1.08.020(A) Penalty Surcharge and Amending the 2019 City of Palmer Fine Schedule to Reflect the New Surcharge

Agenda of: June 11, 2019 – Introduction
June 25, 2019 – Public Hearing

Council Action: **Adopted** **Amended:** _____
 Defeated




Originator Information:

Originator: Lance Ketterling, Chief of Police

Department Review:

Route to:	Department Director:	Signature:	Date:
_____	Community Development	_____	_____
X	Finance		5/24/19
_____	Fire	_____	_____
X	Police		5-15-19
_____	Public Works	_____	_____

Approved for Presentation By:

	Signature:	Remarks:
City Manager		<u>Signing for Nathan Wallace as Acting City Mgr.</u>
City Attorney		_____
City Clerk		_____

Certification of Funds:


Total amount of funds listed in this legislation: \$ 0.00

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: 

Attachment(s):

- Ordinance No. 19-012

Summary Statement/Background:

Both the City of Palmer and the State of Alaska collect surcharge penalties for violations of law in addition to other fines and penalties. Alaska Statute 29.25.074 (a) states "A municipality may not enforce a penalty for violation of an ordinance for which a surcharge is required to be imposed under AS 12.55.039 unless the municipality authorizes the imposition of and provides for the collection of the surcharge."

The City does enforce municipal ordinances which might fall under AS 12.55.039, and as such Palmer is required to collect a surcharge for them which is sent to the State general fund. The State periodically changes the surcharge amounts, typically by raising them. For example, in 2018 the State legislature raised surcharges to twice what is currently collected in Palmer Municipal Code.

These changes at the State level occur at times and in amounts not known to the City beforehand. As such, it is practical for the City to assess surcharge amounts by adopting language into Palmer Municipal Code which sets the amount at that specified in State law rather than a specific dollar value. This will prevent unnecessary rewrites of Palmer Municipal Code and ensure the City is complying with collecting the correct amount.

This ordinance also amends the City of Palmer Fine Schedule to be worded in accordance with the changes made to Palmer Municipal Code.

Administration's Recommendation:

Adopt Ordinance No. 19-012 Amending Palmer Municipal Code Section 1.08.020(A) Penalty Surcharge and Amending the 2019 City of Palmer Fine Schedule to Reflect the New Fine.

LEGISLATIVE HISTORY

Introduced by: City Manager Wallace
Date: June 11, 2019
Public Hearing: June 25, 2019
Action:
Vote:

Yes:	No:

CITY OF PALMER, ALASKA

Ordinance No. 19-012

An Ordinance of the Palmer City Council Amending Palmer Municipal Code Section 1.08.020(A) Penalty Surcharge and Amending the 2019 City of Palmer Fine Schedule to Reflect the New Surcharge

WHEREAS, the state of Alaska makes periodic changes to the maximum allowable penalty surcharge for violations of law; and

WHEREAS, the city of Palmer collects a surcharge penalty for violations of Palmer Municipal Code as required by Alaska State Statute; and

WHEREAS, adhering to the current State of Alaska surcharge penalty amount is the most efficient and effective way to collect such costs.

THE CITY OF PALMER, ALASKA, ORDAINS:

Section 1. Classification. This ordinance shall be permanent in nature and shall be incorporated into the Palmer Municipal Code.

Section 2. Severability. If any provisions of this ordinance or application thereof to any person or circumstances are held invalid, the remainder of this ordinance and the application to the other persons or circumstances shall not be affected thereby.

Section 3. Palmer Municipal Code Section 1.08.020(A) is hereby amended to read as follows (new language is underlined and deleted language is stricken):

A. In addition to any fine or other penalty prescribed by law, a person who pleads guilty or nolo contendere to, forfeits bail for, or is convicted of:

1. A violation of this code comparable to a misdemeanor offense under AS 28.33.030, 28.33.031, 28.35.030 or 28.35.032 and adopted under AS 28.01.010 shall be assessed the maximum surcharge allowable pursuant to AS 12.55.039 and 29.25.074 of \$75.00;

2. A misdemeanor or other violation of this code if a sentence of incarceration may be imposed for the misdemeanor or ordinance violation, other than a provision identified in subsection (A)(1) of this section, shall be assessed the maximum surcharge allowable pursuant to Alaska Statutes 12.55.039 and 29.25.074 of \$50.00; and

3. A misdemeanor or a violation of this code if a sentence of incarceration may not be imposed for the misdemeanor or ordinance violation shall be assessed the maximum surcharge allowable pursuant to Alaska Statutes 12.55.039 and 29.25.074 ~~of \$10.00~~ if the fine or bail forfeiture amount for the offense is \$30.00 or more.

Section 4. Effective Date. Ordinance No. 19-012 shall take effect upon adoption by the city of Palmer City Council.

Passed and approved this _____ day of _____, 2019.

Edna B. DeVries, Mayor

Norma I. Alley, MMC, City Clerk

**City of Palmer
Action Memorandum No. 19-053**

Subject: Directing the City Clerk to Notify the State of Alaska of the City Council's Statement of Non-Objection to Liquor License No. 649 for Klondike Mike's Saloon, Located at 820 S. Colony Way

Agenda of: June 25, 2019

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



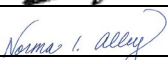
Originator Information:

Originator: Norma Alley, City Clerk

Department Review:

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

Approved for Presentation By:

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

Certification of Funds:


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

This legislation (√):

- Creates revenue in the amount of: \$ Unknown
- 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: 

Attachment(s):

- Notice for License No. 649 – Transfer of Ownership
- Application AB-01 – Transfer of Ownership
- Review Form

Summary Statement/Background:

Klondike Mike’s Saloon has applied for a change in ownership of their current Liquor License #649. State law requires local governing bodies (per AS 04.21.080, this is defined as the City Council) to review requests pertaining to liquor licenses within their municipalities. The City may voice a non-objection or may file a protest to a request.

Application AB-01 is to change the licensee’s controlling interest percentages.

As of the date of packet publication, the City Clerk’s Office had not received any written comments or phone calls from the public expressing concern or support for this application.

Administration’s Recommendation:

To approve Action Memorandum No. 19-034 directing the City Clerk to notify the State of Alaska of the City Council’s statement of non-objection to Liquor License No. 649 for Klondike Mike’s Saloon, Located at 820 S. Colony Way.



June 11, 2019

City of Palmer
Attn: City Clerk

Via Email: cityclerk@palmerak.org

Cc: adam.bradway@matsugov.us

License Type:	Beverage Dispensary	License Number:	649
Licensee:	U-Line Beverage Co., Inc.		
Doing Business As:	Klondike Mike's		
Premises Address:	820 S. Colony Way		

New Application

Transfer of Ownership Application

Transfer of Location Application

Transfer of Controlling Interest Application

We have received a completed application for the above listed license (see attached application documents) within your jurisdiction. This is the notice required under AS 04.11.480.

A local governing body may protest the approval of an application(s) pursuant to AS 04.11.480 by furnishing the director **and** the applicant with a clear and concise written statement of reasons for the protest within 60 days of receipt of this notice, and by allowing the applicant a reasonable opportunity to defend the application before a meeting of the local governing body, as required by 3 AAC 304.145(d). If a protest is filed, the board will deny the application unless the board finds that the protest is arbitrary, capricious, and unreasonable. To protest the application referenced above, please submit your protest within 60 days and show proof of service upon the applicant.

AS 04.11.491 – AS 04.11.509 provide that the board will deny a license application if the board finds that the license is prohibited under as a result of an election conducted under AS 04.11.507.

AS 04.11.420 provides that the board will not issue a license when a local governing body protests an application on the grounds that the applicant's proposed licensed premises are located in a place within the local government where a local zoning ordinance prohibits the alcohol establishment, unless the local government has approved a variance from the local ordinance.

Sincerely,

Erika McConnell, Director
amco.localgovernmentonly@alaska.gov



Alcohol and Marijuana Control Office
 550 W 7th Avenue, Suite 1600
 Anchorage, AK 99501
alcohol.licensing@alaska.gov
<https://www.commerce.alaska.gov/web/amco>
 Phone: 907.269.0350

Alaska Alcoholic Beverage Control Board

Form AB-01: Transfer License Application

What is this form?

This transfer license application form is required for all individuals or entities seeking to apply for the transfer of ownership and/or location of an existing liquor license. Applicants should review **TITLE 04 of Alaska Statutes and Chapter 304 of the Alaska Administrative Code**. All fields of this form must be completed, per AS 04.11.260, AS 04.11.280, AS 04.11.290, and 3 AAC 304.105.

This form must be completed and submitted to AMCO's main office, along with all other required forms and documents, before any license application will be considered complete.

Section 1 - Transfer Information

Enter information for the *current* licensee and licensed establishment.

Licensee:	Wine Beverage Co. Inc.	License #:	649
License Type:	Beverage Dispensary	Statutory Reference:	04.11.070
Doing Business As:	Klorlike Mikes Saloon		
Premises Address:	2205 Coimby way		
City:	Palmer	State:	AK
Local Governing Body:	City of Palmer	ZIP:	991645

Transfer Type:

- Regular transfer
- Transfer with security interest
- Involuntary retransfer

OFFICE USE ONLY			
Complete Date:		Transaction #:	1053982
Board Meeting Date:		License Years:	
Issue Date:		BAE:	

MAY 24 2019



APR 24 2019



Alaska Alcoholic Beverage Control Board

Form AB-01: Transfer License Application

Section 2 - Transferee Information

Enter information for the *new* applicant and/or location seeking to be licensed.

Licensee:	Wine Beverage Co., Inc.			
Doing Business As:	Klonike Niborg			
Premises Address:	3205 Colony Way			
City:	Anchorage,	State:	AK	ZIP: 99645
Community Council:				

Mailing Address:	226 North Navar Rd #307			
City:	Ormond	State:	FL	ZIP: 32174

Designated Licensee:	Lillian Nyborg		
Contact Phone:	326-679-0524	Business Phone:	
Contact Email:	lillynyborg@gmail.com		

Seasonal License? Yes No If "Yes", write your six-month operating period: _____

Section 3 - Premises Information

Premises to be licensed is:

- an existing facility a new building a proposed building

The next two questions must be completed by beverage dispensary (including tourism) and package store applicants only:

What is the distance of the shortest pedestrian route from the public entrance of the building of your proposed premises to the outer boundaries of the nearest school grounds? Include the unit of measurement in your answer.

@ 3/4 of a mile

What is the distance of the shortest pedestrian route from the public entrance of the building of your proposed premises to the public entrance of the nearest church building? Include the unit of measurement in your answer.

@ 1/2 mile

AMCC
MAY 24 2019

APR 24 2019



Alaska Alcoholic Beverage Control Board

Form AB-01: Transfer License Application

Section 4 – Sole Proprietor Ownership Information

This section must be completed by any sole proprietor who is applying for a license. Entities should skip to Section 5.
 If more space is needed, please attach a separate sheet with the required information.
 The following information must be completed for each licensee and each affiliate (spouse).

This individual is an: applicant affiliate

Name:				
Address:				
City:	State:	ZIP:		

This individual is an: applicant affiliate

Name:				
Address:				
City:	State:	ZIP:		

Section 5 – Entity Ownership Information

This section must be completed by any entity, including a corporation, limited liability company (LLC), partnership, or limited partnership, that is applying for a license. Sole proprietors should skip to Section 6.
 If more space is needed, please attach a separate sheet with the required information.

- If the applicant is a corporation, the following information must be completed for each **stockholder who owns 10% or more** of the stock in the corporation, and for each **president, vice-president, secretary, and managing officer**.
- If the applicant is a limited liability organization, the following information must be completed for each **member with an ownership interest of 10% or more**, and for each **manager**.
- If the applicant is a partnership, including a limited partnership, the following information must be completed for each **partner with an interest of 10% or more**, and for each **general partner**.

Entity Official:	hillman Nyberg			
Title(s):	President	Phone:	326-679-6524	% Owned: 67.7%
Address:	226 N Nwa Rd #307			
City:	Ormond	State:	Fl.	ZIP: 32174

AMCC
 MAY 24 2019

AMCC
 APR 24 2019



Alcohol and Marijuana Control Office
 550 W 7th Avenue, Suite 1600
 Anchorage, AK 99501
alcohol.licensing@alaska.gov
<https://www.commerce.alaska.gov/web/amco>
 Phone: 907.269.0350

Alaska Alcoholic Beverage Control Board

Form AB-01: Transfer License Application

Entity Official:	Armand Nyberg				
Title(s):	Shareholder	Phone:	907-229-3902	% Owned:	32.3%
Address:	224 N. Nova Rd #307				
City:	Ormond	State:	FL	ZIP:	32174

Entity Official:	Jennie Westhoff				
Title(s):	Secretary	Phone:	1-907-982-0958	% Owned:	0
Address:	3655 South Old Glenn Highway Box 213				
City:	Palmer	State:	AK	ZIP:	99645

Entity Official:					
Title(s):		Phone:		% Owned:	
Address:					
City:		State:		ZIP:	

This subsection must be completed by any applicant that is a corporation or LLC. Corporations and LLCs are required to be in good standing with the Alaska Division of Corporations (DOC) and have a registered agent who is an individual resident of the state of Alaska.

DOC Entity #:	86484D	AK Formed Date:	4/28/2004	Home State:	AK
Registered Agent:	Jennie Westhoff	Agent's Phone:	907-982-0958		
Agent's Mailing Address:	3655 South Old Glenn Highway Box 213				
City:	Palmer	State:	AK	ZIP:	99645

Residency of Agent: Yes No

Is your corporation or LLC's registered agent an individual resident of the state of Alaska?



Alaska Alcoholic Beverage Control Board

Form AB-01: Transfer License Application

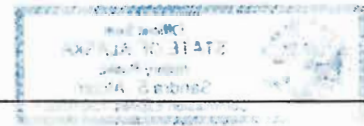
Section 6 – Other Licenses

Ownership and financial interest in other alcoholic beverage businesses:

Yes No

Does any representative or owner named as a transferee in this application have any direct or indirect financial interest in any other alcoholic beverage business that does business in or is licensed in Alaska?

If "Yes", disclose which individual(s) has the financial interest, what the type of business is, and if licensed in Alaska, which license number(s) and license type(s):



Section 7 – Authorization

Communication with AMCO staff:

Yes No

Does any person other than a licensee named in this application have authority to discuss this license with AMCO staff?

If "Yes", disclose the name of the individual and the reason for this authorization:





Alaska Alcoholic Beverage Control Board

Form AB-01: Transfer License Application

Section 8 - Transferor Certifications

Additional copies of this page may be attached, as needed, for the controlling interest of the current licensee to be represented.

I declare under penalty of perjury that the undersigned represents a **controlling interest** of the current licensee. I additionally certify that I, as the current licensee (either the sole proprietor or the controlling interest of the currently licensed entity) have examined this application, approve of the transfer of this license, and find the information on this application to be true, correct, and complete.

[Signature]
Signature of transferor

Hilman E. Nyberg
Printed name of transferor

Subscribed and sworn to before me this 5 day of April, 2019.



[Signature]
Signature of Notary Public

Notary Public in and for the State of Alaska

My commission expires: 12-01-2021

[Signature]
Signature of transferor

Hilman E. Nyberg
Printed name of transferor

Subscribed and sworn to before me this 5 day of April, 2019.



[Signature]
Signature of Notary Public

Notary Public in and for the State of Alaska

My commission expires: 12-01-2021

AMCC
APR 24 2019



Alaska Alcoholic Beverage Control Board

Form AB-01: Transfer License Application

DU

Section 9 - Transferee Certifications

Read each line below, and then sign your initials in the box to the right of each statement:

Initials

I certify that all proposed licensees (as defined in AS 04.11.260) and affiliates have been listed on this application.

[Handwritten initials]

I certify that all proposed licensees have been listed with the Division of Corporations.

[Handwritten initials]

I certify that I understand that providing a false statement on this form or any other form provided by AMCO is grounds for rejection or denial of this application or revocation of any license issued.

[Handwritten initials]

I certify that all licensees, agents, and employees who sell or serve alcoholic beverages or check the identification of a patron will complete an approved alcohol server education course, if required by AS 04.21.025, and, while selling or serving alcoholic beverages, will carry or have available to show a current course card or a photocopy of the card certifying completion of approved alcohol server education course, if required by 3 AAC 304.465.

[Handwritten initials]

I agree to provide all information required by the Alcoholic Beverage Control Board in support of this application.

[Handwritten initials]

As an applicant for a liquor license, I declare under penalty of perjury that I have read and am familiar with AS 04 and 3 AAC 304, and that this application, including all accompanying schedules and statements, is true, correct, and complete.

[Handwritten signature]

Signature of transferee

Lillian E. Nyberg

Printed name

Subscribed and sworn to before me this 18th day of April, 2019.

[Handwritten signature of Notary Public]

Signature of Notary Public



Notary Public in and for the State of FLORIDA

My commission expires: Sept 18, 2020



THE STATE of ALASKA

Department of Commerce, ... Division of Corporations, Business and Professional Licensing



COR

RECEIVED Anchorage

MAY 24 2019

CBPL

CC 25 EE

Corporations Section

State Office Building, 333 Willoughby Avenue, 9th Floor PO Box 110806, Juneau, AK 99811-0806 Phone: (907) 465-2550 • Fax: (907) 465-2974 Email: corporations@alaska.gov Website: Corporations.Alaska.Gov

Statement of Change

Domestic Business Corporation (AS 10.06)

- This Statement of Change form for Registered Agents or Registered Agent Address Changes is only for Domestic Business Corporations. The Statement of Change will not be filed if the official signing this form does not match an official on record for this entity and/or if your entity's biennial report is not current. To verify your entity information on record, go online to Corporations.Alaska.Gov, Search Corporations Database Standard processing time for complete and correct filings submitted to this office is approximately 10-15 business days. All filings are reviewed in the date order they are received. The information you submit is a public record and will be posted on the State's website.

1. Important: AS 10.06.150-.175 Per AS 10.06.150, each Domestic Business Corporation shall (must) continuously (without interruption) maintain in this state (Alaska) a registered agent AND a registered office (with an Alaskan physical location and an Alaskan mailing address) for the purpose of a registered agent's statutory requirements to receive service of processes, notices, or demands required or permitted by law to be served upon the corporation. Failure to meet registered agent requirements could result in involuntary dissolution of the entity's authority to transact business in the State of Alaska. — AS 10.06.633(a)(2),(3) For more registered agent information go to Corporations.Alaska.Gov, Registered Agents FAQs.

2. Fee: [X] \$25 Nonrefundable Filing Fee (CORF) 3 AAC 16.030(b) Mail this form and the non-refundable \$25 filing fee in U.S. dollars to the letterhead address. Make the check or money order payable to the State of Alaska, or use the attached credit card payment form.

3. Entity Information on Record with the State: AS 10.06.165(a)(1) Entity Name: Whone Beverage Co., Inc. Alaska Entity Number: 86484D

AMCO

MAY 24 2019

4. PREVIOUS Registered Agent Information on Record with the State:

AS 10.06.165(a)(2), (4)

PREVIOUS Registered Agent Name: CT Corporation System

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Anchorage

PREVIOUS Registered Agent Addresses:

MAY 24 2019

→ PHYSICAL Address: 9360 Glacier Hwy Ste 202

CBPL

City: Juneau State: AK (mandatory) ZIP Code: 99801

→ MAILING Address: 9360 Glacier Hwy Ste 202

City: Juneau State: AK (mandatory) ZIP Code: 99801

5. NEW Registered Agent Information to be Updated with the State:

AS 10.06.165(a)(3), (5)

NEW Registered Agent Name: Jennie Westhoff

(Registered agent cannot be the entity listed in Item 3 on Page 1 and cannot be an LLC.)

If the new Registered Agent is an entity, provide its entity number:

NEW Registered Agent Addresses: 4400 S. Caudill Rd.

→ PHYSICAL Address:

City: Palmer State: AK (mandatory) ZIP Code: 99645

→ MAILING Address: 3655 S. Old Glenn Hwy Box 213

City: Palmer State: AK (mandatory) ZIP Code: 99645

6. Authorization per Alaska Statute:

AS 10.06.165(a)(6)

The registered agent change was authorized by a resolution duly adopted by the board of directors of this corporation. Per AS 10.06.430, the domestic business corporation is to keep and make available the record of the resolution.

7. Required Signature:

AS 10.06.165(a)

The Statement of Change must be signed by the corporate president or vice president currently on record. Persons who sign documents filed with the commissioner that are known to the person to be false in material respects are guilty of a class A misdemeanor.

Signature: [Handwritten Signature] Date: 5/24/19

Printed Name: William E. Nyberg

Title of Authorized Signer: President — or — Vice-President



THE STATE
of **ALASKA**
Department of Commerce, Community and Economic Development
Division of Corporations, Business and Professional Licensing

COR

RECEIVED
Anchorage
MAY 24 2019

CBPL

Corporations Section

State Office Building, 333 Willoughby Avenue, 9th Floor
PO Box 110806, Juneau, AK 99811-0806
Phone: (907) 465-2550 • Fax: (907) 465-2974
Email: corporations@alaska.gov
Website: Corporations.Alaska.Gov

Contact Information

- Return this form with your filing
- This information may be used by the Division to assist with processing your attached filings
- This form will not be filed for record, or appear online

Entity Information		Enter your entity information as it appears on this filing.
Entity Name:	Ulme Beverage Co. Inc.	
AK Entity #:	86434D	

Contact Person		Whom may we contact with any questions or problems with this filing?
Company:	William Nyborg % Ulme Beverage Co. Inc.	
Contact:		
Mailing Address:	Address:	220 N. Nova Rd #307
	City:	Ormenet State: HI ZIP: 32174
Phone:	320-679-6524	
Email:	wilynyborg@gmail.com	

Document Return Address		Provide an address for the return of your filed documents.
<input checked="" type="checkbox"/> Return my filings to the address provided ABOVE <input type="checkbox"/> Return my filings to this address provided BELOW		
Company:		
Contact:		
Mailing Address:	Address:	
	City:	State: ZIP:

City of Palmer • Liquor License Review Form

BUSINESS NAME: Klondike Mike's Saloon

OWNER: Uline Beverage Co., Inc.

LICENSE TYPE: Restaurant

LOCATION: 820 S. Colony Way

Route to: Department of Finance

Department of Finance

Sales Tax Current: Yes No

If no, explain: April Sales tax has not been received. Spoke with vendor. Scanning return and Check to be emailed. Putting check in the mail 6/14/19

Utilities Current: Yes No

If no, explain: _____

Special Assessments Current: Yes No

If no, explain: _____

Other Comments: _____



Finance Director

June 13, 2019

Date

Route to: Department of Community Development

Department of Community Development

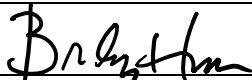
Code Compliant: Yes No

If no, explain: _____

Fire Compliant (Plans Review): Yes No

If no, explain: _____

Other Comments: _____



Community Development Director

June 13, 2019

Date

Route to: Police Department

Police Department

Code Compliant: Yes No

If no, explain: _____

Other Comments: _____



Chief of Police

6-13-19
Date

Route to: City Manager's Office

City Manager's Office

Citizen Comments: Yes No

If yes, explain: _____

Other Comments: _____



City Manager

6/14/19
Date

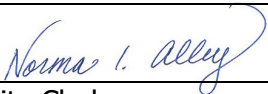
Route to: City Clerk's Office

City Clerk's Office

Citizen Comments: Yes No

If yes, explain: _____

Other Comments: _____



City Clerk

June 14, 2019
Date

FORWARD TO COUNCIL FOR AGENDA OF: June 25, 2019

**City of Palmer
Action Memorandum No. 19-054**

Subject: Accepting Council Member Pete LaFrance's Resignation, Declaring the Seat Vacant Effective June 26, and Directing the City Clerk to Begin the Appointment Process to Fill the Vacancy Until a Successor is Seated After the October 1, 2019, Regular Election

Agenda of: June 25, 2019

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




Originator Information:

Originator: City Clerk Norma I. Alley

Department Review:

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

Approved for Presentation By:

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

Certification of Funds:

Total amount of funds listed in this legislation: \$ 250.00

This legislation (√):

<input type="checkbox"/>	Creates revenue in the amount of:	\$ _____
<input checked="" type="checkbox"/>	Creates expenditure in the amount of:	\$ <u>250.00</u>
<input type="checkbox"/>	Creates a saving in the amount of:	\$ _____
<input type="checkbox"/>	Has no fiscal impact	

Funds are (√):

<input checked="" type="checkbox"/>	Budgeted	Line item(s): <u>01-02-10-6022</u>
<input type="checkbox"/>	Not budgeted	_____

Director of Finance Signature: 

Attachment(s):

- Potential Supplemental Questions
- Potential Interview Questions
- Advertisement

Summary Statement/Background:

Council Member Pete LaFrance was elected to the Palmer City Council in October, 2015. Council Member LaFrance submitted his resignation effective June 25, 2019. This resignation creates a vacancy on the City Council for a seat expiring October, 2021.

Palmer Municipal Code 2.04.065 states once the position is declared vacant, upon acceptance of the resignation, the City Clerk is to publish public notice of the vacancy, accept applications for 14 days after the first publication, and then the Council is to fill the vacancy by appointment.

The first publication will be on June 28 with the deadline to submit applications on Friday, July 12, at 4:30 p.m. The City Clerk's Office will vet the applications ensuring they are qualified to serve on the Council. The applications will be furnished to the City Council for review at the July 23 City Council Meeting. The applicant appointed will serve from time of receiving Oath of Office until the candidate elected at the October 1, 2019, Regular Election assumes office to serve the remainder of the term.

The appointment process outlined below is consistent with the Palmer Municipal Code and best practices:

Advertisement and Application Period:

- The City Clerk will begin advertisement with the first publication on June 28 in The Frontiersman.
- Applications will be accepted at time of declaration of vacancy to 4:30 p.m. on Friday, July 12. All applications must be received by the City Clerk's Office no later than the deadline. If mailed, the postmark on the envelope will not be considered as a valid date for meeting the deadline.
- Interested persons shall file a completed application. If it is the wish of the Council, the applicant may also be required to submit a letter of intent (did this with 2003 appointment) and/or supplemental questions (did this with 2018 appointment).

Interview Questions:

- The Council will need to finalize interview questions. Attached are the questions asked in the 2018 interviews.
- Who will ask the questions?

Interviews:

- The Council can determine if interviews will be conducted on July 23 or calling a Special Meeting.

Selection/Oath of Office:

- Once interviews have concluded, the Council will deliberate and determine the best qualified candidate. Past practice has been for deliberation to be conducted in open meeting.
- Once deliberation has concluded, the Council has two options for proceeding with appointment:
 - A motion may be made, the night of the interviews, to appoint an applicant to fill the vacant seat with a term ending October 7, 2019, or until the candidate elected at the October 1, 2019, Regular Election assumes office to serve the remainder of the term.
 - A motion may also be made, the night of the interviews, directing the City Clerk to prepare legislation to appointment an applicant at the August 13 Council Meeting. All necessary paperwork will be finalized and the Oath of Office will be performed at the August 13 meeting.

Matters for Discussion and Direction:

1. Requirement for applicants to submit a letter of intent, one-page Resume, and/or supplemental questions with the application. Attached are example questions.
2. Selection of interview questions.
3. Date of conducting interviews and process.

Administration's Recommendation:

To approve Action Memorandum No. 19-054

All the below supplemental questions must be answered

1. What is your understanding of the role of a City Council Member?
2. Tell us what has prepared you to be a Council Member.
3. Why are you interested in serving as a Council Member?
4. Describe your understanding of the time commitment associated with serving on the City Council and are you prepared to meet it?
5. Are you prepared to meet the time commitment of being a Council Member?
 - Regular meetings scheduled the second and fourth Tuesday of each month;
 - Budget meetings are every Tuesday of the month commencing on the second Tuesday in October through the second Tuesday in December; and
 - Occasional special meetings called from time to time. Special meetings in the past have been held for the purpose of joint meetings with City boards or commissions.
6. Do you have any scheduled vacations or commitments that would keep you from attending Council Meetings?

**COUNCIL MEMBER VACANCY
INTERVIEW QUESTIONS & NOTES FORM FOR COUNCIL MEMBERS
JULY, 2019**

CANDIDATE: _____

Interview Questions:	Notes on Candidate's Response:
1. Tell us about yourself.	
2. What do you feel is the most critical issue facing the City of Palmer today?	
3. What do you think is the most positive attribute of the City?	
4. Share your assessment of any recent decision of the City Council.	

Council Member's Signature

Council Member's Printed Name

Public Notice

CITY COUNCIL VACANCY

City Council has a vacant seat and will be appointing a qualified person to fill the position until a candidate is elected on the October 1, 2019, Regular Election. City Council is seeking applications from engaged citizens to serve on a dynamic decision-making team governing your community. Applications may be obtained from the city's website at www.palmerak.org or picking up a hard copy at Palmer City Hall from the City Clerk's Office. Please direct inquiries to the City Clerk's Office at (907) 761-1301.

- **Position:** City Council Member
- **Term:** From time of appointment through October 7, 2019.
- **Qualifications:**
 - Must be a registered voter in the state of Alaska.
 - Must have resided within the city of Palmer city limits for at least one year at time of appointment.
- **Areas of Council Involvement:**
 - Various committees and public meetings.
 - Government finance.
 - Basic parliamentary procedure.
 - Land use planning.
 - Conflict of interest regulations.
 - Due process procedures.
 - Public contracting laws.
- **Duties:**
 - Attend two Council meetings per month and periodically other special meetings as scheduled.
 - Participate in intergovernmental relations.
 - Set city policy.
 - Approve the city budget.
 - Various other responsibilities of running a municipal corporation.
- **City of Palmer General Boundaries:** City limits are generally located as Cedar Hills Subdivision for northern boundary; the river for eastern boundary; Hemmer Road for western boundary; Helen Drive for southwest boundary; and Springer Loop as southern boundary. Precise boundaries will need to be checked with the City Clerk's Office.
- **Deadline:** A completed application, accompanied by supplemental questions, **must be received in a sealed envelope by the City Clerk's Office no later than 4:30 p.m. on Friday, July 12, 2019.** Applications may be obtained from the city's website at www.palmerak.org or picking up a hard copy at Palmer City Hall from the City Clerk's Office. **The City Council reserves the right to extend the deadline if the Council feels it is advisable or would be in the best interest of the city.**
- **Appointment Date:** The Council may interview and make the appointment at the regular meeting of Tuesday, July 23, 2019, beginning at 7:00 p.m. or at a special meeting the preceding week. Applicants are required to attend in order to be considered for the position. If someone is appointed, the applicant may take office on August 13, 2019. The Council may delay appointment at their discretion.

Publish: June 28, July 3 and July 7

Palmer Municipal Code 2.05.060
Alternate Deputy Mayor (Selection Process)

2.05.060 Deputy mayor.

- A. At the first meeting following the regular city election, council shall elect from its membership a deputy mayor and an alternate deputy mayor to serve in the absence of the mayor.
- B. Deputy Mayor Election Process. The deputy mayor election process shall be as follows:
 - 1. Nominations. The mayor shall open nominations for deputy mayor and shall continue taking nominations until all nominations have been made.
 - 2. Voting Process.
 - a. After the nominations have closed, the mayor will, in alphabetical order by last name, bring each individual nominee's name to the floor for a vote;
 - b. The nominee obtaining four votes of the council shall be declared the winner of the election.
- C. Alternate Deputy Mayor Election Process. Following election of the deputy mayor, the council shall elect, using the same process as used for the deputy mayor election, the alternate deputy mayor.
- D. The deputy mayor shall succeed to the office of mayor when a vacancy occurs in that office and shall have and exercise the powers and duties of the mayor when the mayor is absent or unable to perform the duties of office.
 - 1. When a doubt exists concerning the ability of the mayor to perform the duties of office, the council shall, by resolution, determine whether the deputy mayor shall act in the place of the mayor.
 - 2. The determination shall stand until the council determines that the disability or inability ceases.
- E. The alternate deputy mayor shall succeed to deputy mayor when the deputy mayor is unavailable or there is a deputy mayor vacancy. (Ord. 14-003 § 3, 2014; Ord. 10-020 § 3, 2010; Ord. 10-006 § 3, 2010; Ord. 648 § 4, 2005)