

Requested & Prepared by: Purchasing/Contracting Officer
Adopted: June 9, 2008
Vote: Holler, Larson, Massie, Menard, Metiva and Woodruff in favor

**CITY OF WASILLA
RESOLUTION SERIAL NO. 08-15**

A RESOLUTION OF THE WASILLA CITY COUNCIL AUTHORIZING THE MAYOR TO EXECUTE A TWO-YEAR LEASE WITH ALASKA AVALANCHE HOCKEY TEAM FOR SPACE, ICE TIME, AND OPERATION OF A JUNIOR HOCKEY TEAM WITHIN THE MULTI-USE SPORTS COMPLEX.

WHEREAS, the Alaska Avalanche Junior Hockey Team has been a tenant at the Multi-Use Sports Complex for the last three years; and

WHEREAS, the Alaska Avalanche Junior Hockey Team has again requested to lease space and rent ice at the Multi-Use Sports Complex for FY2009 and FY2010; and

WHEREAS, the Alaska Avalanche, in addition to leasing office space and renting ice, also leases storage space, as well as, a locker room for nine months of the year; and

WHEREAS, this creates a huge win-win for the City taxpayer and the Alaska Avalanche, as the room utilized for storing rink boards during the summer months generates income during the winter, in the form of a locker room for the Alaska Avalanche Hockey Team; and

WHEREAS, increased management involvement, new coaching staff, and several new prospects for the team have assisted in financial viability and set the team up for success both on and off the ice; and

WHEREAS, the Alaska Avalanche has become a non-profit corporation which should aid in obtaining additional funding to ensure viability for years to come; and

WHEREAS, Wasilla Municipal Code 5.08.115 allows the Mayor, with the approval of the Council by resolution, to award a lease of space in a building owned by the City for the provision of goods or services, on either a for-profit or nonprofit basis, that support or supplement the public uses or functions that are located in the building.

NOW THEREFORE BE IT RESOLVED, by the Wasilla City Council, that we authorize the Mayor to execute a two-year contract with the Alaska Avalanche Hockey Team for space, ice time, and operation of a junior hockey team within the Multi-Use Sports Complex.

ADOPTED by the Wasilla City Council on June 9, 2008.

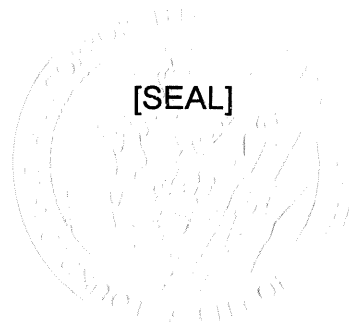


DIANNE M. KELLER, Mayor

ATTEST:



KRISTIE SMITHERS, MMC
City Clerk





**CITY OF WASILLA
LEGISLATION STAFF REPORT**

RE: RESOLUTION SERIAL NO. 08-15

A RESOLUTION OF THE WASILLA CITY COUNCIL AUTHORIZING THE MAYOR TO EXECUTE A TWO-YEAR LEASE WITH ALASKA AVALANCHE HOCKEY TEAM FOR SPACE, ICE TIME AND OPERATION OF A JUNIOR HOCKEY TEAM WITHIN THE MULTI-USE SPORTS COMPLEX.

Agenda of: June 9, 2008

Date: May 27, 2008

Originator: Purchasing/Contracting Officer *W. White*

Route to:	Department	Signature/Date
	Police Chief Youth Court, Dispatch, Code Compliance	
X	Culture and Recreation Services Director Library, Museum, Sports Complex	<i>Bruce Celn</i>
	Public Works & Recreation Facility Maintenance Director	
X	Finance, Risk Management & MIS Director Purchasing	<i>Chad Downie CFO</i>
X	Deputy Administrator Planning, Economic Development, Human Resources	<i>Megan J. Ford</i>
X	City Clerk	<i>W. White</i>

REVIEWED BY MAYOR DIANNE M. KELLER: _____

FISCAL IMPACT: yes or no Funds Available yes no

Account name/number: N/A

Attachments: Lease and Facility Use Agreement with Alaska Avalanche Hockey Team

SUMMARY STATEMENT: The Alaska Avalanche Junior Hockey Team, who has been a tenant at the MUSC for the last three years, has once again requested to lease space and rent ice at the Multi-Use Sports Complex for FY2009 and FY2010. The Alaska Avalanche, in addition to leasing office space and renting ice also leases storage space as well as a locker room for nine (9) months of the year. This creates a huge win-win for the City taxpayer and the Alaska Avalanche as the room utilized for storing rink boards during the summer months generates income during the winter in the form of a locker room for the Avalanche Hockey Team.

Increased management involvement, new coaching staff and several new prospects for the team aided them in turn the corner on financial viability and set the team up for success both on and off the ice. In addition, the Alaska Avalanche has become a non-profit corporation which should aid them in obtaining additional funding which will ensure their viability for years to come.

Administration and Alaska Avalanche ownership has reviewed the contract from last year and agree it would be in the best interest of all parties to renew the same contract for a two-year period. In FY2008, unlike previous years, payments were made on or before the due date which resulted in less time spent administering the contract, ensured the City did not have to resort to collection action, and reduced the time allocated by City finance personnel on payment and receipt activities. These payments were for a Lease and Facility Use Agreement that charged the prevailing rate for ice and office/storage space, and also shared the advertising revenue generated by the Avalanche.

In accordance with Wasilla Municipal Code 5.08.115, administration requests Council to authorize the Mayor to enter into a lease agreement with the Alaska Avalanche Junior Hockey Team for leasing space (office, storage and locker room), renting ice and operating a junior hockey team in the Multi-Use Sports Complex.

LEASE AND FACILITY USE AGREEMENT

LEASE AND FACILITY USE AGREEMENT ("Agreement") made as of the 27th day of June 2008 by and between the CITY OF WASILLA, an Alaska municipal corporation ("City"), and Alaska Avalanche, a Nonprofit Corporation ("Tenant").

WITNESSETH:

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

Section 1. Definitions and Attachments.

1.1 Certain Defined Terms. As used herein, the term:

(a) "Complex" means the Wasilla Multi-Use Sports Complex located at 1001 South Mack Drive, Wasilla, Alaska, as the same may be altered, reduced, expanded or replaced from time to time.

(b) "Default Rate" means an annual rate of interest equal to the lesser of (i) the maximum rate of interest for which Tenant may lawfully contract in Alaska, or (ii) ten and one-half percent (10.5%).

(c) "Fees" mean the fees that are payable by Tenant for the use of the Facility under Sections 5.1 and 5.2.

(c) "Leased Premises" means the areas within the Complex that are defined as such in Section 2, and marked on the Complex floor plan attached hereto as Exhibit "A."

(d) "Term" means the term of this Agreement as defined in Section 4.1.

(e) "Home Game" means any event where a ticket is sold or donation made in lieu of compensation including pre-season tournaments, charity games, regular season, conference playoff, divisional playoff, championship playoff, league sanctioned event or tournament played pursuant to a schedule established by the Alaska Avalanche Hockey club or North American Hockey League.

(f) "Exhibition Game" means any event where a ticket is sold or donation made in lieu of compensation for any game played where the outcome is not counted in any league standings.

1.2 Additional Defined Terms. The following additional terms are defined in the Sections of this Agreement noted below:

<u>Term</u>	<u>Section</u>
"Event of Default"	11.1
"Facility"	3.1
"Rent and Facility Use Fees"	5.1

1.3 Exhibits. The following documents are attached hereto, and shall be deemed to be a part hereof:

Exhibit "A"	Floor Plan of the Complex
Exhibit "B"	Services and Conditions
Exhibit "C"	Schedule for Tenant's Use of the Facility
Exhibit "D"	Wasilla Multi-Use Sports Complex Rules and Regulations
Exhibit "E"	Minimum Security Requirements

Section 2. Leased Premises. City hereby leases to Tenant, and Tenant hereby rents from City, the following areas within the Complex (collectively, the "Leased Premises"). City shall deliver possession of the Leased Premises to Tenant on July 1, 2008, and Tenant accepts the Leased Premises as they exist on that date.

2.1 Office Space. Complex Room Numbers 146 and 146A, totaling approximately 580 square feet, for use as office space.

2.2 Equipment Storage Area & Locker Room. A portion of Complex Room Number 132 and storage area under the bleachers, totaling 408 square feet, for the storage of equipment associated with the operation of Tenant's activities at the Complex. The locker room, totaling 964 square feet, is for assembly of the team for pre-game and post game activities.

Section 3. Facility Use. In addition to the Leased Premises, City grants to Tenant a license to use the following described areas within the Complex (the "Facility") subject to the conditions stated below.

3.1 Description of Facility. The Facility shall consist of (i) the Curtis C. Menard II Memorial Ice Rink; and (ii) the locker rooms associated with the Ice Rink.

3.2 Permitted Uses of Facility. Tenant may use the Facility only for the following activities:

- (a) Ice Hockey practices.
- (b) Ice Hockey games.
- (c) Ice Hockey tournaments.
- (d) Any other use with the prior written approval of the City.

3.3 Additional Conditions for Use of Facility. Tenant's use of the Facility shall be subject to the services and conditions stated in Exhibit B. City, at its expense, shall provide all existing utilities at the Facility. Any additional utilities requested by Tenant may be provided at City's sole discretion at Tenant's expense.

3.4 Scheduling Use of Facility. On or before July 1, 2008, Tenant shall submit to the City a written schedule of the date and time for each of its proposed uses of the Facility during the Term of this Agreement. The City will make a good faith effort to reserve the Facility for Tenant's use on the dates and at the times requested in the schedule submitted by Tenant; however, reservation of the Facility as requested shall be at the sole discretion of the City. City, in its sole discretion, may approve Tenant's written requests for changes to the approved schedule. The approved schedule for Tenant's use of the Facility, as amended from time to time, shall be attached hereto as Exhibit C.

3.5 Tenant Activities Exclusively at Complex. In consideration of City making the Facility available to Tenant under this Agreement, Tenant covenants and agrees to conduct all of its activities that require a sheet of ice at the Complex and at no other location during the Term of this Agreement, except (i) where the Facility is not available for Tenant's use at a time scheduled under Section 3.4, or (ii) with the prior written consent of City.

3.6 Luxury VIP Suites Responsibility. In consideration of City making the Facility available to the Tenant under this agreement, Tenant covenants and agrees to maintain the Luxury VIP Suites including any repairs, reconstruction, and City approved alterations. In addition, Tenant agrees to provide janitorial service for the Suites and shall ensure they are cleaned after every Avalanche event. The City shall have use of the Luxury VIP Suites during non-Avalanche events but shall be responsible for cleanup and returning the Suites to their condition when initially occupied for a non-Avalanche event.

Section 4. Term.

4.1 Commencement and Termination. The Term of this Agreement commences on July 1, 2008, and expires on June 30, 2010. If Tenant fails to surrender the Leased Premises at the end of the Term or any renewal thereof, in addition to any other remedy which City may have, Tenant shall indemnify City against all claims and demands by a succeeding tenant, arising from Tenant's failure to surrender the Leased Premises at the end of the Term. This agreement may be terminated:

- (a) By the mutual consent of the Parties, expressed in writing;
- (b) By either Party with thirty (30) days advance written notice;
- (c) By either Party immediately upon a material breach of this agreement; or
- (d) By the City of Wasilla if there are insufficient funds lawfully appropriated for its performance.

4.2 Holding Over. If Tenant is in possession of the Leased Premises after the end of the Term of this Agreement, in the absence of any agreement extending the Term, the tenancy under this Agreement shall become one from month to month, terminable by either party on thirty (30) days' prior written notice, at a monthly rental equal to one hundred fifty percent (150%) of the average monthly Rent payable during the preceding twelve (12) months.

4.3 Extension of Term. City may, in its discretion, offer to extend the Term for up to two additional one (1) year periods. City shall give Tenant written notice of an offer to extend the Term at least ninety (90) days before the expiration of the current Term. Tenant may accept an offer to extend the Term by giving City written notice of acceptance not later than thirty (30) days after the date of City's notice of the offer to extend. In the event that Tenant accepts City's offer to extend the Term, all of the terms and conditions of the Agreement, except as modified in the City's offer to extend the Term, shall remain in full force and effect during the extended Term.

Section 5. Rent, Fees and Security.

5.1 Rent and Facility Use Fees. Tenant shall pay Rent and Facility Use Fees for the Leased Premises in the amount of \$2,938.76 per Home Game and \$1000.00 per Exhibition Game for the Term of this Agreement.

(a) Included in the per Home Game fee shall be 5.5 hours of practice ice, 2.5 hours of game ice, twelve (12) months of use of 580 square feet of office space, twelve (12) months use of 308 square feet of storage space, and eight (8) months use of 964 square feet of storage space in the Multi-Use Sports Complex.

(b) Included in the per Exhibition Game fee shall be 2.5 hours of game ice.

(c) In the event of an increase of the prevailing advertised rate published on the City of Wasilla Multi-Use Sports Complex website (http://cityofwasilla.com/sports_complex/default.asp?pg=Arena) for ice rental, increases shall be calculated as follows:

(i) Per Home Game: fee increase multiplied by 5.5 hours of practice ice and 2.5 hours of game ice per game + \$2,948.76 per Home Game fee = Revised per Home Game fee.

(ii) Per Exhibition Game: fee increase multiplied by 2.5 hours of game ice per game + \$1,000.00 per Exhibition Game fee = Revised per Exhibition Game fee.

5.2 Facility Use Fees – Additional Ice. Tenant shall pay the prevailing advertised rate as published on the City of Wasilla Multi-Use Sports Complex website (http://cityofwasilla.com/sports_complex/default.asp?pg=Arena) for ice rental in excess of that purchased in Section 5.1.

5.3 Sale of Alcoholic & Non-Alcoholic Beverages & Food.

(a) All non-alcoholic beverages and food items and their associated cost must be approved in writing by the City prior to any sale by the Tenant.

(b) The Complex is under contract to Pepsi Bottling Group of Alaska and no other brands are permitted to be sold in the Complex.

5.4 Fee Adjustments. This is an annual contract and there will be no fee adjustments.

5.5 Payment for Additional Services. In addition to the Rent and Facility Use Fees payable under Section 5.1 and 5.2, Tenant shall reimburse the City for any and all services not included in this Agreement, but requested by Tenant or required to fulfill Tenant's responsibilities under the terms of this Agreement, including without limitation cleaning not accomplished by Tenant.

5.6 Payment of Rent and Facility Use Fees. Tenant shall pay all per Home Game fees and additional practice ice fees per section 5.1 and 5.2 on or before the 1st day of the month following the month in which the Home Game(s) and/or Exhibition Game(s) was conducted or additional practice ice was utilized.

(a) Rent or Fee payments not received by the City within five (5) days after the due date are considered delinquent and will be subject to interest at the Default Rate.

(b) In addition, Tenant will not be allowed to use the Facility until all delinquent payments, plus accrued interest, have been made to the City. Reinstatement of scheduled use following a delinquency will require prepayment of estimated monthly Facility use fees by the 1st day of each month for the remainder of the Term of this Agreement. Any payment by Tenant or acceptance by City of a lesser amount than shall be due from Tenant to City shall be treated as a payment on account.

5.7 Security Deposit. Tenant shall deposit with City the sum of five thousand dollars (\$5,000), or a surety bond in the same amount and in a form acceptable to the City, as security for

Tenant's faithful performance of its obligations under this Agreement. If Tenant is in default of any of its obligations under this Agreement, City may apply the security deposit to cure the default and/or as reimbursement for any and all damage sustained by City as a result of Tenant's default. At City's request, Tenant shall immediately pay to City the sum necessary to replenish the security deposit to the original amount. If Tenant is not in default at the expiration or termination of this Agreement, City shall return the security deposit to Tenant, without interest. City's obligation to Tenant is that of a debtor and not a trustee.

Section 6. Signs and Advertising.

6.1 Signs on Leased Premises. Tenant will not place on the exterior of the Leased Premises any sign, decoration, letter or advertising without City's prior written approval. Tenant, at its expense, shall maintain any such permitted sign, decoration, lettering or advertising matter in good condition at all times.

6.2 Advertising in Facility.

(a) Tenant may solicit commercial businesses to purchase advertising within the ice rink Facility in the form of dasher board ads, banners, ice resurfacers, and other types of fixed advertising.

(b) The term of any advertising placed in the Facility under (a) of this section expires on June 30 of the current fiscal year unless extended by prior agreement between the Tenant and the City. Dasher board ads will be for all ice hockey and ice skating events only. The City makes no warranties or representations of any kind concerning the nature or number of events to be held in the Facility and the City shall have no liability for any failure to display advertising or for any other matter concerning the use of the sign system due to any act of God, or any other reason beyond the control of the City.

(c) The Tenant shall arrange for the manufacture and installation of all ads including any protective covering necessary to ensure durability of the ad. Advertising material shall be subject to approval of the City for compatibility with available technical processes.

(d) The size of each dasher board ad shall be a minimum of 30 inches high by 8 feet long. Any dasher board ad or banner larger than the minimum size is subject to availability of space and additional cost. Space and cost is at the sole discretion of the City.

(e) All advertisements and its content must be approved by the City. Advertising for alcoholic beverages or tobacco products, or that contains a non commercial message (e.g., political candidacy or political messages) are not permitted. Additionally, the City has the right to refuse any advertisement that may not be in the best interest of the Facility or the community.

(f) This section applies to all advertisements that are affixed to the ice hockey dasher boards, walls, railings, glass, ice resurfacers and other structures that are permanent fixtures of the

facility. Any advertising affixed to any portable structure by the Tenant, whether it is for the entire season or during games only, is subject to approval by the City.

(g) All advertising or promotional materials displayed or distributed in the building or on the common grounds of the facility including driveways, parking lots and easements is subject to written approval by the City.

Section 7. Additional Covenants of Tenant.

7.1 Compliance with Laws and Regulations. Tenant, at its expense, shall use the Leased Premises and the Facility in compliance with all federal, state, municipal and other governmental statutes, laws, rules, orders, regulations and ordinances, except those which require the making of any repairs or modifications that are the obligation of City under this Agreement, whether or not any such statutes, laws, rules, orders, regulations or ordinances which may be hereafter enacted involve a change of policy on the part of the governmental body enacting the same.

7.2 Complex Rules and Regulations; Care of Facility. Tenant shall comply with the Wasilla Multi-Use Sports Complex Rules and Regulations in Exhibit D, as they may be amended by the City from time to time. The City shall promptly notify Tenant in writing of any amendment to the Wasilla Multi-Use Sports Complex Rules and Regulations.

7.3 Accommodation of Other Complex Users. Tenant shall assure that all participants, spectators and others who are present at its events at the Facility conduct themselves in a professional, inoffensive and unobtrusive manner, toward other persons who have been permitted to use the Complex before, during or after Tenant's use of the Facility.

7.4 Facility Occupancy. Tenant shall not admit persons to an event at the Facility in numbers exceeding the Facility's maximum building occupancy of 1,700 seated and 500 standing room spectators. Tenant shall monitor and count the number of persons admitted to the Facility to assure that these limits are not exceeded. These limits include spectators, officials, team members, coaches and all occupants in attendance at the game.

7.5 Security. Tenant, at its expense, shall provide a minimum of six (6) unarmed uniformed and licensed security guards for each game and tournament in the Facility, and provide security and crowd control as described in Exhibit E to this Agreement. Tenant may employ City reserve police officers for this purpose in lieu of licensed security guards.

7.6 Alcoholic Beverage Sales.

(a) Tenant shall not permit persons attending Tenant events to bring alcoholic beverages into the Complex. Alcoholic beverages may be purchased and consumed within the Complex only in areas that the State of Alaska Alcoholic Beverage Control Board has designated and approved for that purpose. Tenant shall have at least one uniformed and licensed security

guard at each access point to any area designated for the purchase or consumption of alcoholic beverages. Tenant shall ensure that all rules and regulations of the State of Alaska Alcoholic Beverage Control Board including but not limited to Alaska Statute Title 4 and Alaska Administrative Code Title 13, Chapter 104 are strictly enforced during Tenant events at the Complex.

(b) Due to the anticipated presence of a large number of youthful spectators at Tenant events, the parties agree that it is imperative that Tenant take effective preventive and remedial measures against minors consuming alcoholic beverages, irresponsible consumption of alcoholic beverages, and disorderly conduct. Without limiting the generality of the foregoing, Tenant shall enforce strictly the exclusion and removal from the Complex of minors consuming alcoholic beverages, intoxicated persons, and persons engaging in disorderly conduct, and summon necessary police assistance in a timely manner. Tenant shall maintain a written record of each incident in which a person is removed from the Complex and each call for police assistance under this subsection, and furnish a copy of each such record to the City not later than the first business day after the incident.

(c) Tenant shall cease all sales and/or service of alcoholic beverages at a time not later than when fifteen (15) minutes remain on the game clock of the third (3rd) period of each game played in the Facility.

(d) If Tenant at any time fails to comply with any requirements in subsections (a) through (c) of this section, in addition to any other remedy that is available for Tenant's breach of this Agreement, the City may restrict or terminate Tenant's permission to sell alcoholic beverages in the Facility for all or part of the remainder of the Term of this Agreement.

7.7 Equipment and Utensils. Tenant shall keep any equipment owned and used by Tenant in the Complex in good working condition at all times at Tenant's own expense. Tenant shall be responsible for repairing or replacing any equipment or other property owned by the City and used by the Tenant that is lost, damaged or otherwise rendered unfit for use for reasons other than reasonable wear and tear. Tenant shall maintain all Tenant supplied concession equipment and utensils in clean, sanitary and proper working order. Tenant shall repair promptly any malfunctioning Tenant supplied equipment, or remove it from the Facility. Any and all damages to the concession stands(s), utility services or the surrounding area that result from Tenant's failure to maintain its equipment in proper working order are the responsibility of the Tenant and will be expeditiously repaired at the Tenant's expense. The City may repair any such damage, as it deems appropriate, and Tenant shall pay the cost thereof upon written demand from the City. Failure of Tenant to abide by the above requirements may result in the revocation of the authorization for concession operations in the Facility. Tenant shall remove all of its equipment from the Facility not later than the earlier to occur of (i) the expiration of the Term of this Agreement, and (ii) fifteen (15) days after Tenant's last event during the Term of this Agreement, unless City and Tenant agree in writing to a different schedule for the removal.

7.8 Tenant Operations. Tenant at its expense will maintain the Leased Premises in a clean, orderly and sanitary condition and free of insects, rodents, vermin and other pests; keep any refuse in industry standard containers within the interior of the Leased Premises until removed; and have such refuse removed on a daily basis. Tenant will not obstruct any driveway, corridor, walkway, parking area, lobby or any other area within the Complex; permit the parking of vehicles so as to interfere with the use of any driveway, corridor, walkway, parking area, or loading area; receive or ship articles of any kind outside the designated loading areas for the Leased Premises; or place a load upon any floor which exceeds the floor load which the floor was designed to carry.

7.9 Damage to Facility and Complex. Tenant shall pay the cost of repairing any damage to the Facility that occurs while Tenant is using or occupying the Facility, and any damage to the Complex that is caused by Tenant, its contractors, agents or invitees.

7.10 Taxes. Tenant shall pay to the appropriate taxing authority any and all sales, excise and other taxes levied, imposed or assessed upon the Rent or Fees payable hereunder. Tenant shall also be solely responsible for and pay within the time provided by law all taxes imposed on its inventory, furniture, trade fixtures, apparatus, equipment and any other of Tenant's personal or other property.

7.11 Description of Complex. In all of its written materials and advertising, Tenant shall refer to the Complex only as the "Wasilla Multiuse Sports Complex."

Section 8. Management of Complex.

8.1 Management and Operation of Complex. City will operate and maintain the Complex in a manner deemed by City to be reasonable and appropriate and in the best interests of the Complex. City will have the right (i) to establish, modify and enforce reasonable rules and regulations with respect to the Complex; (ii) to enter into, modify and terminate easements and other agreements pertaining to the use and maintenance of the parking areas and other parts of the Complex; (iii) to enforce parking charges; (iv) to close temporarily any or all portions of the Complex; (v) to discourage non-customer parking; and (vi) to do and perform such other acts in and to said areas and improvements as, in the exercise of good business judgment, City shall determine to be advisable.

8.2 Changes and Additions to Complex. City reserves the right at any time and from time to time (i) to make or permit changes or revisions in its plan for the Complex including additions to, subtractions from, rearrangements of, alterations of, modifications of or supplements to the building areas, walkways, parking areas, driveways or other areas, (ii) to construct other buildings or improvements on the Complex and to make alterations thereof or additions thereto, and (iii) to make or permit changes or revisions in the Complex, including additions thereto, and to convey portions of the Complex to others for the purpose of constructing thereon other buildings or improvements, including additions thereto and alterations thereof.

8.3 Utilities. City shall pay all charges for water, sewer and electric service to the Leased Premises and the Facility. Tenant shall pay all charges for all other utility services to the Leased Premises, including without limitation telephone service. Tenant shall not at any time overburden or exceed the capacity of the mains, feeders, ducts, conduits, or other facilities by which such utilities are supplied to, distributed in or serve the Leased Premises or the Facility. If Tenant desires to install any equipment that will require additional utility facilities or utility facilities of a greater capacity than the facilities provided by City, such installation shall be subject to City's prior written approval of Tenant's plans and specifications therefor. If City approves such installation and if City provides such additional facilities to accommodate Tenant's installation, Tenant agrees to pay City, on demand, the cost for providing such additional utility facilities or utility facilities of greater capacity.

8.4 Concession Sales Locations. The City, in its sole discretion shall determine the assignment of concession sale locations within the Facility. The Tenant may equip and operate the concession sale locations assigned to it by the City during all Tenant sponsored events and at such other times as Tenant may request subject to City approval. The Tenant will make no modifications to the structure or utility services provided in the concession sale locations without the prior written consent of the City. Any such changes will comply with applicable codes and be subject to inspection and approval by the City Public Works Department. Tenant may use designated concession sale locations for selling alcoholic beverages, team memorabilia, raffle tickets, fifty-fifty (50-50) game tickets, programs, and other items with the prior written consent of the City.

8.5 Ticket Sales.

(a) Day of Game Ticket Sales. Tenant shall be responsible for day of game ticket sales. Tenant shall offer day of game ticket sales beginning no later than sixty (60) minutes before the start of each game. City shall permit Tenant to use of the Complex ticket booth on a nonexclusive basis with Complex staff and other individuals or groups approved by the City. There will be no charge to Tenant for the use of the ticket booth.

8.6 Employee Parking. Tenant's employees, players, and volunteers shall comply with City's parking rules and regulations. Parking shall be available to employees on a first-come, first-served basis in common with other visitors to the Complex. Tenant shall notify its employees in writing of the provisions of this section.

Section 9 Liability, Indemnity and Insurance.

9.1 Limitation of City Liability. City shall not be liable for the unavailability of the Leased Premises.

9.2 Indemnification by Tenant. The TENANT shall defend and hold the CITY, its officers, employees and agents harmless from and against any and all liability, loss, expense

(including reasonable attorney's fees), or claims for death or injury to persons or damage to property arising out of the performance of this lease but only in proportion to and to the extent such liability, loss, expense, attorney's fees, or claims for injury or damages are caused by or result from the negligent or intentional acts or omissions of TENANT, its officers, agents or employees. The CITY shall defend and hold the TENANT, its officers, employees and agents harmless from and against any and all liability, loss, expense (including reasonable attorney's fees), or claims for death or injury to persons or damage to property arising out of the performance of this lease but only in proportion to and to the extent such liability, loss, expense, attorney's fees, or claims for injury or damages are caused by or result from the negligent or intentional acts or omissions of the CITY, its officers, agents, or employees.

9.3 Required Insurance Coverage. Before commencing its occupancy of the Leased Premises or use of the Facility, and at all times during the Term of this Agreement, Tenant shall carry and maintain at its expense the following non-deductible insurance coverage. Tenant may meet these insurance requirements with any combination of primary and excess/umbrella policies.

(a) Commercial general liability, including without limitation insurance against assumed or contractual liability under this Agreement, with limits of liability not less than \$1,000,000 combined single limit bodily injury and property damage, \$1,000,000 personal injury, and \$2,000,000 aggregate.

(b) Automobile liability, with a combined single limit of not less than \$1,000,000 per accident applying to all vehicles used in conjunction with this lease.

(c) Workers' compensation, including employer's liability with limits of not less than \$500,000 per accident, \$500,000 disease – policy limit, and \$500,000 disease – each employee.

(d) Liquor liability, commencing before Tenant sells any alcoholic beverages in the Facility, with limits not less than \$1,000,000 each common cause, \$1,000,000 annual aggregate.

(e) Pyrotechnical and/or flash powder liability. Prior to Tenant using any pyrotechnical and/or flash powder in the Complex, Tenant shall acquire additional liability insurance with limits not less than \$5,000,000.00 Combined Single Limits (bodily injury and property damage) with a deductible of no more than two thousand five hundred dollars (\$2,500.00) for property damage only. The City of Wasilla shall be named as an additional insured with primary language on the policy with a copy filed with the City of Wasilla Purchasing/Contracting Officer prior to commencement. Any permits required by Federal, State, Borough or City regulations shall be the responsibility of Tenant and shall be on file with the City prior to any use of pyrotechnical and/or flash power in the Complex.

9.4 Insurance Policy Requirements. Tenant shall provide City with certificates of insurance and/or copies of each policy acceptable to City for the coverages listed herein promptly upon commencement of Tenant's obligation to procure the same. The company or companies writing any insurance which Tenant is required to carry and maintain as well as the form of such insurance shall at all times be subject to City's approval, and any such company or companies shall be licensed to do business in the State of Alaska and shall have a minimum A. M. Best rating of A VII or be approved by the City's Finance Director. Commercial general liability, automobile liability and liquor liability insurance policies shall name City as additional insured and shall require that the insurer provide the City with thirty (30) days written notice before it cancels, refuses to renew or materially alters coverage required by this Agreement.

Section 10. Repairs and Alterations; Liens.

10.1 Maintenance by City. City shall maintain the Complex in good repair, except for the maintenance and repairs that are Tenant's responsibility under this Agreement.

10.2 Tenant's Improvements and Maintenance. Tenant shall install at its expense the furniture, fixtures and equipment that it requires to conduct its business in the Leased Premises, using new and quality materials and equipment. Not later than the end of the Term, Tenant shall remove all furniture, fixtures and equipment that it has installed in the Leased Premises. Tenant shall repair any damage to the Leased Premises caused by the removal of its furniture, fixtures or equipment, and shall surrender the Leased Premises at the expiration of the Term or at such other time as it may vacate the Leased Premises in as good condition as when received, excepting ordinary wear and tear. Tenant will alter the Leased Premises only with the prior written approval of City. Tenant shall perform any approved alterations at its expense, promptly, efficiently, competently, and in a good and workmanlike manner by duly qualified and licensed persons, using first grade materials, without interference with or disruption to the operations of the Complex. All such work shall comply with all applicable governmental codes, rules, regulations and ordinances.

10.3 Mechanic's Liens. Tenant shall pay promptly all persons furnishing labor or materials with respect to any work performed by Tenant on or about the Leased Premises. Tenant promptly shall discharge of record or bond to the satisfaction of City any mechanic's or other lien filed against the Complex by any such person. If Tenant fails to discharge of record or bond to the satisfaction of City any such lien, then, in addition to any other right or remedy, City may bond or discharge the same, and Tenant shall pay to City upon demand the amount so paid by City plus its attorney's fees incurred in defending against such lien or in procuring its discharge, together with interest thereon at the Default Rate.

Section 11. Default.

11.1 "Event of Default" Defined. Any one or more of the following events shall constitute an "Event of Default":

- (a) The failure of Tenant to pay any Rent, Fee or other sum of money when due hereunder;
- (b) Default by Tenant in the performance or observance of any covenant or agreement of this Agreement (other than a default involving the payment of money), which default is not cured within ten (10) days after the giving of notice thereof by City, unless such default is of such nature that it cannot be cured within such ten (10) day period, in which case no Event of Default shall occur so long as Tenant shall commence the curing of the default within such ten (10) day period and shall thereafter diligently prosecute the curing of same; provided, however, if Tenant shall default in the performance of any such covenant or agreement of this Agreement three (3) or more times in any twelve (12) month period, that notwithstanding such defaults have each been cured by Tenant, any further similar default shall be deemed an Event of Default without the ability to cure;
- (c) The sale of Tenant's interest in the Leased Premises under attachment, execution or similar legal process; or if Tenant is adjudicated as bankrupt or insolvent under any state bankruptcy or insolvency law or an order for relief is entered against Tenant under the federal Bankruptcy Code and such adjudication or order is not vacated within ten (10) days;
- (d) The commencement of a case under any chapter of the federal Bankruptcy Code by or against Tenant, or the filing of a voluntary or involuntary petition proposing the adjudication of Tenant as bankrupt or insolvent, or the reorganization of Tenant, or an arrangement by Tenant with its creditors, unless the petition is filed or case commenced by a party other than Tenant and is withdrawn or dismissed within thirty (30) days after the date of its filing;
- (e) The admission in writing by Tenant of its inability to pay its debts when due;
- (f) The appointment of a receiver or trustee for the business or property of Tenant, unless such appointment shall be vacated within ten (10) days of its entry;
- (g) The making by Tenant of an assignment for the benefit of its creditors, or if in any other manner Tenant's interest in this Agreement shall pass to another by operation of law;
- (h) The vacating or abandonment of the Leased Premises by Tenant at any time during the Term of this Agreement;
- (i) The occurrence of any other event described as constituting an "Event of Default" elsewhere in this Agreement.

11.2 Remedies. Upon the occurrence and continuance of an Event of Default, City, without notice to Tenant in any instance (except where expressly provided for below or required by law) may do any one or more of the following:

(a) With or without judicial process, enter the Leased Premises and take possession of any and all goods, inventory, equipment, fixtures and all other personal property of Tenant situated in the Leased Premises without liability for trespass or conversion, and may sell all or any part thereof at public or private sale. Tenant agrees that five (5) days' prior notice of any public or private sale shall constitute reasonable notice. The proceeds of any such sale shall be applied, first, to the payment of all costs and expenses of conducting the sale or caring for or storing said property, including all attorneys' fees; second, toward the payment of any indebtedness, including without limitation indebtedness for Rent or Fees, which may be or may become due from Tenant to City; and third, to pay the Tenant, on demand in writing, any surplus remaining after all indebtedness of Tenant to City has been fully paid.

(b) Perform, on behalf and at the expense of Tenant, any obligation of Tenant under this Agreement which Tenant has failed to perform and of which City shall have given Tenant notice, the cost of which performance by City, together with interest thereon at the Default Rate from the date of such expenditure, shall be payable by Tenant to City upon demand.

(c) Elect to terminate this Agreement and the tenancy created hereby by giving notice of such election to Tenant, and may reenter the Leased Premises, without the necessity of legal proceedings, and may remove Tenant and all other persons (if Tenant is still in possession) and property from the Leased Premises, and may store such property in a public warehouse or elsewhere at the cost of and for the account of Tenant without resort to legal process and without City being deemed guilty of trespass or becoming liable for any loss or damage occasioned thereby.

(d) Exercise any other legal or equitable right or remedy which it may have.

Notwithstanding the provisions of subsection (b) of this section, and regardless of whether an Event of Default shall have occurred, City may exercise the remedy described in subsection (b) of this section without any notice to Tenant if City, in its good faith judgment, believes it would be injured by failure to take rapid action or if the unperformed obligation of Tenant constitutes an emergency.

Any costs and expenses incurred by City (including without limitation attorneys' fees) in enforcing any of its rights or remedies under this Agreement shall be repaid to City by Tenant upon demand.

11.3 Damages. If City terminates this Agreement pursuant to Section 11.2, Tenant nevertheless shall remain liable for any Rent, Fees and damages which may be due or sustained by City and all reasonable costs, fees and expenses, including without limitation attorney's fees,

costs and expenses incurred by City in pursuit of its remedies hereunder, or in renting the Leased Premises to others from time to time.

11.4 Remedies Cumulative. No reference to any specific right or remedy shall preclude City from exercising any other right or from having any other remedy or from maintaining any action to which it may otherwise be entitled at law or in equity.

Section 12. Tenant's Possession.

12.1 Peaceful and Quiet Use and Possession. City hereby warrants that it and no other person has the right to lease the Leased Premises. Provided Tenant is not in default of this Agreement, Tenant shall have peaceful and quiet use and possession of the Leased Premises without hindrance on the part of City, and City shall warrant and defend Tenant in such peaceful and quiet use and possession against the claims of all persons claiming by, through, or under City.

12.2 Inspections and Access by City. Tenant will permit City, its agents, employees and contractors to enter all parts of the Leased Premises during Tenant's business hours, upon 24 hours' notice, except in case of emergency, to inspect the same and to enforce or carry out any provision of this Agreement, including, without limitation, any access necessary for the making of any repairs which are City's obligation hereunder; provided, however, that, in an emergency situation, such access shall be at any time upon City's oral request.

Section 13. Miscellaneous.

13.1 Notices. Any notice, request, demand, approval or consent given or required to be given under this Agreement shall be in writing and shall be addressed as follows:

To City: City of Wasilla
Attn: Mayor Dianne M. Keller
290 East Herning Avenue
Wasilla, Alaska 99654

To Tenant: Alaska Avalanche
Attn: Jamie Smith
1001 South Mack Drive
Wasilla, AK 99654

Either party may, at any time, change its notice address for the above purposes by sending a notice to the other party stating the change and setting forth the new address.

13.2 No Waiver. No failure by City to insist upon the strict performance of any agreement, term, covenant or condition hereof, or to exercise any right or remedy consequent upon a breach thereof, and no acceptance of full or partial fees during the continuance of any

such breach, shall constitute a waiver of any such breach, agreement, term, covenant or condition. No waiver by City of any breach by Tenant under this Agreement shall affect or alter Tenant's obligations under this Agreement in any way whatsoever.

13.3 Successors and Assigns. No benefit under this Agreement may be assigned; no may any duty under this Agreement be delegated, without the prior written consent of the other party. This Agreement and the covenants and conditions herein contained shall inure to the benefit of and be binding upon City and Tenant and their respective permitted successors and assigns.

13.4 Captions and Headings. The Section captions and headings in this Agreement are for convenience of reference only and in no way shall be used to construe or modify the provisions set forth herein.

13.5 No Discrimination. It is intended that the Facility shall be developed so that all prospective tenants and users thereof, and all customers, employees, licensees and invitees of all tenants shall have the opportunity to obtain all the goods, services, accommodations, advantages, facilities and privileges of the Facility without discrimination because of race, creed, color, sex, age, national origin or ancestry. To that end, Tenant shall not discriminate in the conduct and operation of its business in the Facility against any person or group of persons because of the race, creed, color, sex, age, national origin or ancestry of such person or group of persons.

13.6 No Joint Venture. Any intention to create a joint venture or partnership relation between the parties hereto is hereby expressly disclaimed. The provisions of this Agreement for the payment by Tenant and the acceptance by City of a percentage of Gross Sales is a fee for the use of the Facility, and not a sharing of profits from Tenant's use of the Facility.

13.7 Integration; Amendment. The parties intend this Agreement and the Addenda attached hereto to be the final expression of their agreement and as the complete and exclusive statement of the terms thereof, all negotiations, considerations and representations between the parties having been incorporated herein. This Agreement may be modified only by a writing signed by the party against whom the modification is enforceable.

13.8 Severability. If any term or provision, or any portion thereof, of this Agreement, or the application thereof to any person or circumstances shall, to any extent, be invalid or unenforceable, the remainder of this Agreement, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each term and provision of this Agreement shall be valid and be enforced to the fullest extent permitted by law.

13.9 No Third Party Beneficiaries. Nothing contained in this Agreement shall be construed so as to confer upon any other person the rights of a third party beneficiary.

13.10 Applicable Law; Venue. This Agreement and the rights and obligations of the parties hereunder shall be construed in accordance with the laws of the State of Alaska. Any legal proceeding in connection with this Agreement shall be in the trial courts for the State of Alaska for the Third Judicial District in Palmer.

IN WITNESS WHEREOF, the parties hereto intending to be legally bound hereby have executed this Agreement as of the day and year first above written.

CITY: CITY OF WASILLA

Dianne M. Keller, Mayor

TENANT: SPIRIT HOCKEY CLUB, LLC
DbA ALASKA AVALANCHE

Name: Jamie Smith
Title: Executive Director

**EXHIBIT A
DESCRIPTION OF LEASED PREMISES**

Exhibit A

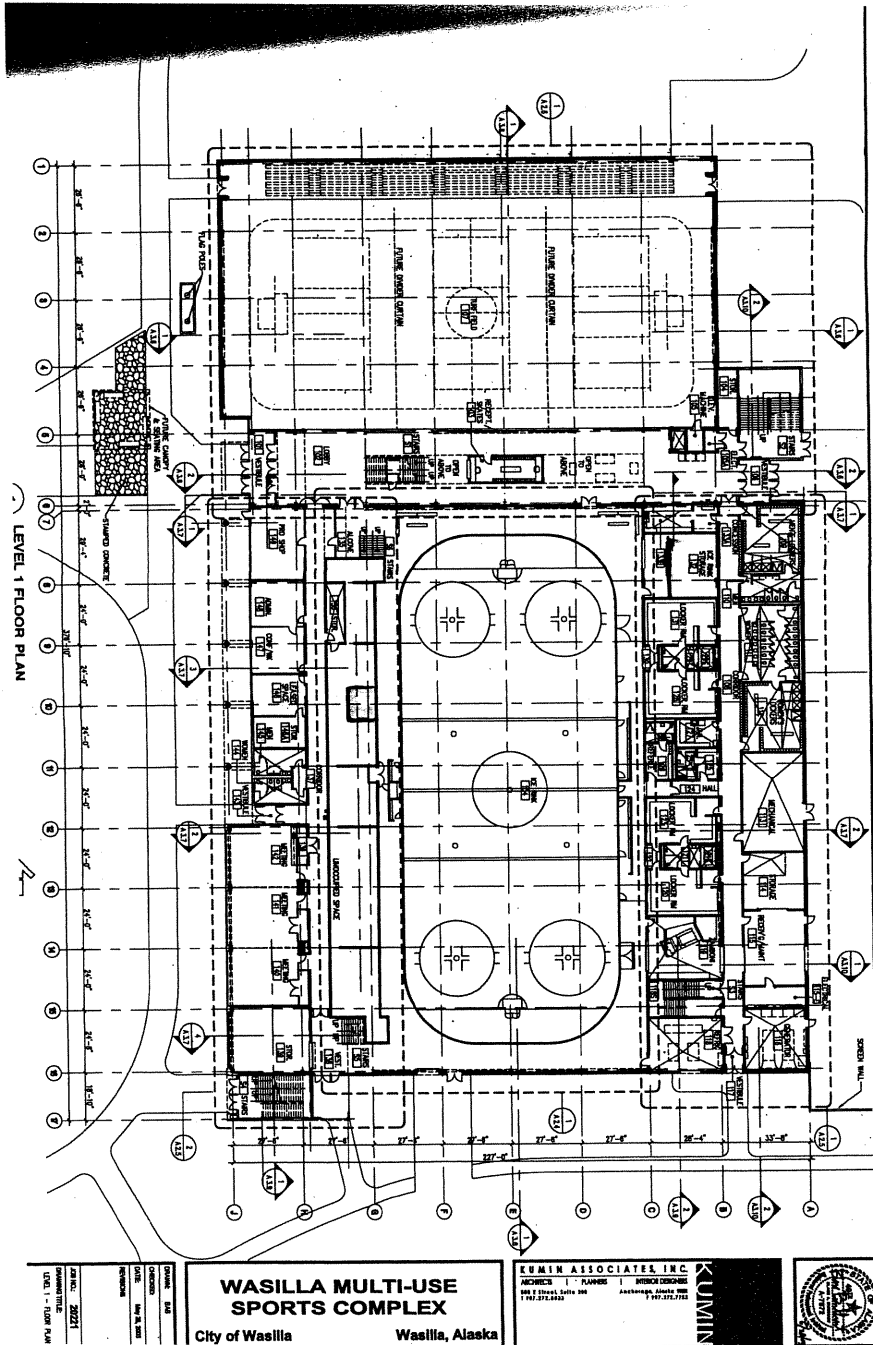


EXHIBIT B
SERVICES AND CONDITIONS

1. The City shall provide ice resurfacing, scoreboard, public address system, and team locker rooms for each event.
2. The City shall provide a single dedicated phone line for use by the media. Long distance calls will only be available by using a call card or calling collect.
3. Tenant will have access to the facility beginning ninety (90) minutes prior to the scheduled start of each game. Doors are scheduled to open forty-five (45) minutes prior to the start of each scheduled game. Other Users of the ice rink have until sixty (60) minutes prior to the start of each scheduled game to vacate the ice rink and team locker rooms.
4. Tenant shall keep its assigned equipment storage area clean and orderly.
5. Tenant shall inform its concessionaires to thoroughly clean concession area(s) at the end of each game.
6. Tenant shall remove all supplies from and thoroughly clean the designated concession area(s) not later than five (5) days after the last event of the season.
7. Tenant shall obtain all necessary permits, licenses and insurance and abide by all city, borough, state and federal laws pertaining to the sale of alcoholic beverages.
8. The City has the final approval on any banners placed in or around the facility.
9. Tenant shall give written notice of all proposed dates for special events/activities during any of the Tenant's sponsored events (e.g. cars/trucks on the ice, foreign materials on the ice surface, crowd participation events, throwing or catching events, skating parties after games, etc.). The City will approve or disapprove these in events in writing.
10. Tenant shall not obstruct any access to stairs or exit doors.
11. Tenant shall enforce the rule of no participants permitted on the running track for the purpose of watching the event without consent of the facility manager.

**EXHIBIT C
SCHEDULE FOR TENANT'S USE OF THE FACILITY**

DATE

OPPONENT

Game Time

To be supplied to the City of Wasilla by July 1, 2008 per the attached contract.

Practice schedule will be determined according to the needs of the team and the dates and times available and will be coordinated between the Tenant and the City.

EXHIBIT D
WASILLA MULTI-USE SPORTS COMPLEX RULES AND REGULATIONS

1. Tenant may not be on the ice surface or sit on the dasher boards in the players or penalty boxes during the resurfacing or other maintenance operations. All gates to the arena are to remain closed during resurfacing operations. Tenant may return to the ice surface after the Zamboni has completed resurfacing the ice and the gates are closed; or when other maintenance operations have been completed.
2. Absolutely no puck shooting may take place when a Wasilla Multi-Use Sports Complex staff person is on the ice or personnel gates are open. Puck shooting when a Wasilla Multi-Use Sports Complex staff person is on the ice may result in immediate suspension of Tenant from the facility for the remainder of the scheduled season.
3. Vandalism or other misuse of any part of the Wasilla Multi-Use Sports Complex facility will result in individual, team or organizational suspension from the facilities. Personnel in charge of each user group (i.e. coaches) are responsible for the conduct of their participants while they are using the Wasilla Multi-Use Sports Complex facility both on and off the ice. Team locker rooms should be inspected prior to each use. Observation of any damages or other irregularities should be reported to a facility staff person immediately. The Wasilla Multi-Use Sports Complex Manager will review each incident and determine appropriate and reasonable actions necessary to maintain proper use etiquette.
4. In order to assure a punctual start for each user, it is mandatory you leave the ice immediately at the conclusion of your allotted time. Failure to comply may result in suspension of ice time until such time as the facility manager is assured that the problem is corrected.
5. Tenant is responsible for individual, team, and in some cases, spectator control during their allotted ice time. (Tenant will be informed if security officers are needed for spectator control).
6. Smoking is prohibited inside the building.
7. Alcoholic beverages are prohibited at all times from team locker rooms and from inside the facility unless purchased from a vendor inside the facility, and then consumed in an area approved by the Alcohol Beverage Control Board. Failure to comply will result in immediate suspension of individuals and/or teams from the facility for the remainder of the scheduled season.
8. Use of illegal drugs is prohibited and will result in immediate suspension of individuals and/or teams from the arena for the remainder of the scheduled season.

9. The Tenant agrees to hold harmless, defend and indemnify the City from any claim whatsoever arising out of the use and occupation of the facility by the Tenant.
10. Vehicle parking is in designated areas only. No parking in handicap, fire and ambulance zones or in other areas as posted. Vehicles in violation are subject to ticketing or towing and impound at owners expense.
11. Team locker rooms can be secured for all events. Keys can be signed out at the skate booth or from an employee on duty. The locker room user shall turn in a set of car keys or other form of acceptable deposit to obtain a key. It is the Tenant's responsibility to use assigned locker rooms. Upon completion of the event, the room shall be cleaned by the Tenant and inspected by an on duty supervisor. If there is any damage to the room or the room is not satisfactorily cleaned, a penalty of a minimum of \$100 will be imposed on the using team or organization. Payments or arrangements will be made within seventy-two (72) hours, or the Tenant will be suspended from further facility use.
12. All ice time will be scheduled by the administration of the Wasilla Multi-Use Sports Complex. Any ice time cancellations will be honored up to thirty (30) days prior to the scheduled date. Scheduled changes are the responsibility of the Tenant. The City will not track any changes on the master schedule. The Tenant will be invoiced for the time whether or not they use it or sell it to another user. The City reserves the right to alter, cancel or reschedule any time with reasonable notice.
13. Hitting or throwing pucks, tennis balls, tape balls or any other objects off the ice surface is prohibited and will result in the confiscation of hockey sticks, pucks, etc. This includes the team locker rooms.
14. Children under the age of 14 will have adult supervision while in the facility.
15. Posting of any advertisements, posters or flyers must be pre-approved by the facility manager.
16. Taping of posters, banners, decorations, etc. to the glass surrounding the ice rink are not permitted.
17. Spitting tobacco on the ice, walls, floor, water fountains, benches, corners and any out of the way place is unsanitary and dangerous. It will not be tolerated and may result in suspension from use of the building.
18. The Tenant may not be the sole users of the facility. In consideration of other patrons, everyone needs to act in an unobtrusive, professional manner.

19. All Players in all ice hockey classifications must wear appropriate safety equipment. All players must wear a hockey helmet, with chinstraps properly fastened, while on the ice, in the player's boxes and penalty bench. Any coach under the age of eighteen (18) years of age must wear a helmet while on the ice or in the player's bench. All players and coaches must abide by USA Hockey Rules and Regulations.

20. Shaking or grabbing on the glass surrounding the ice rink is prohibited and may result in suspension from the facility for the remainder of the season or longer depending on the severity of the act.

EXHIBIT E
MINIMUM SECURITY REQUIREMENTS

1. Tenant shall provide a minimum of six (6) licensed unarmed uniformed security personnel over 21 years of age during Tenant's sponsored events. Reserve Officers from the City of Wasilla Police Department Reserve Officer Program may be used in lieu of licensed unarmed uniformed security personnel.
2. In the event that the attendance average for more than three consecutive games goes above 1000 attendees per game, tenant shall be required to provide a minimum of eight (8) licensed unarmed uniformed security personnel over 21 years of age.
3. In the event that the attendance average goes back down under 1000 attendees for three consecutive games, tenant shall be allowed to reduce the number of licensed unarmed uniformed security personnel over 21 years of age to six (6) but under no circumstances will less than six (6) security personnel be on duty at any event.
4. Security personnel shall be on duty at least fifteen (15) minutes prior to the start of all Tenants' sponsored events and until all spectators have left the facility.
5. Security personnel shall make a concerted effort to communicate the courtesies of sitting in the handicap seating areas to members of the public.
6. Security shall immediately remove any individuals who throw any items onto the ice rink surface or into players or penalty boxes, with the exception of those items that are thrown onto the ice during special events such as "Chuck-a-Puck".
7. Obviously intoxicated individuals who are abusive, belligerent, combative or disruptive shall be removed from the facility. Individuals involved in physical altercations or who otherwise refuse to respond to the directions of security staff will be removed from the facility.
8. Security shall be responsible for enforcing item numbers 3, 5, 6, 7, 8, 10, 13, 14, 15, 17, & 20 of the Wasilla Multi-Use Sports Complex Rules and Regulations as stated in Exhibit D.