

By: Public Works
Adopted: February 14, 2022
Yes: Brown, Graham, Johnson, Sullivan-Leonard, Velock
No: None
Absent: None
Clerk's Note: Council Seat F Vacant

**City of Wasilla
Resolution Serial No. 22-05**

A Resolution Of The Wasilla City Council Authorizing A Lease Extension From 10-Years To 30-Years To Michael Sandstrom For Lease Lot 18-A, Located At 4160 W Aviation Avenue, At The Wasilla Municipal Airport.

WHEREAS, Michael Sandstrom has developed Lease Lot 18-A with a hangar at the Wasilla Airport under an initial 10-year lease agreement commencing on October 1, 2015, and expiring on September 30, 2025; and

WHEREAS, Michael Sandstrom seeks to refinance his development and is requesting to amend his current 10-year lease to a 30-year lease, expiring on September 30, 2045, to secure new financing; and

WHEREAS, Michael Sandstrom is in good standing with the current lease at the Wasilla Airport; and

WHEREAS, Wasilla Municipal Code (WMC) 5.32.120, requires review and recommendation from the Planning Commission and approval from the City Council for airport leases when the proposed lease term is longer than a period of 10-years; and

WHEREAS, through the adoption of Resolution Serial No. 21-16, on December 14, 2021, the Planning Commission recommended to the City Council approval of a 30-year lease to Michael Sandstrom for Wasilla Airport Lease Lot 18-A.

NOW, THEREFORE, BE IT RESOLVED, that the Wasilla City Council, authorizes a lease extension from 10-years to 30-years to Michael Sandstrom for lease lot 18-A, located at 4160 W Aviation Avenue, at the Wasilla Municipal Airport.

Effective Date. This resolution takes effect upon adoption.

ADOPTED by the Wasilla City Council on February 14, 2022.



Glenda D. Ledford, Mayor

ATTEST:



Jamie Newman, MMC, City Clerk


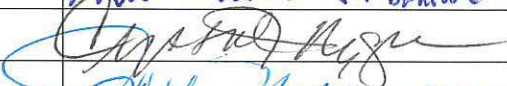


[SEAL]

**City of Wasilla
Legislative Staff Report
Resolution Serial No. 22-05**

Authorizing A 30-Year Lease At The Wasilla Airport For Lease Lot 18-A, Located At 4160 W Aviation Avenue, To Michael Sandstrom.

Originator: Robert Walden, Public Works Deputy Director
Date: 2/1/2022

Agenda of: 2/14/2022

Route to:	Department Head	Signature	Date
X	Finance Director		2-3-22
X	Director of Public Works	Robert L Walden for Donnie	2/3/22
X	Deputy Administrator		2/2/22
X	City Clerk		2/3/2022
X	Mayor		2/2/22

Fiscal Impact: yes or no

Funds Available: yes or no

- Attachments:** Resolution Serial No. 22-05 (2 pages)
 Planning Commission Resolution Serial No. 21-16 (1 page)
 Sandstrom Letter (1 page)
 Current Lease Agreement (19 pages)

Summary Statement: The resolution authorizes a 20-year extension to Michael Sandstrom for Lease Lot 18-A at the Wasilla Airport with hangar. Mr. Sandstrom is seeking a loan on his hangar that requires a minimum of 15-year extension and he requested a 30-year. The new 20-year extension would expire on September 30, 2045. The City is currently reviewing the lease rates and this extension does not re-start the agreement with the original rate and can and will allow the City to adjust the square foot rate in the near future.

The original lease was established on October 1, 2015, with an initial term of 10 years at a rate of \$2,003 annually (\$0.06 per square foot annually standard airport rate) and would be expiring on September 30, 2025. The lease is subject to renew by the tenant at their option every 10 years under the Mayor's authority. Leases over 10 years and up to 30 years are subject to approval of the City Council in accordance with Wasilla Municipal Code 5.32.120(C)(3).

Proposed Action: Adopt the Resolution.

By: Public Works
Public Hearing: 12/14/21
Adopted: 12/14/21

**WASILLA PLANNING COMMISSION
RESOLUTION SERIAL NO. 21-16**

**A RESOLUTION OF THE WASILLA PLANNING COMMISSION RECOMMENDING
APPROVAL OF A 30-YEAR LEASE TO MICHAEL SANDSTROM FOR WASILLA
AIRPORT LEASE LOT 18-A; LOCATED AT 4160 W. AVIATION AVENUE.**

WHEREAS, Michael Sandstrom has developed Lease Lot 18-A with a hangar at the Wasilla Airport under an initial 10-year term; and

WHEREAS, Michael Sandstrom is seeking to refinance his development and is requesting a 30-year lease to secure new financing; and

WHEREAS, Michael Sandstrom is in good standing with the current airport lease at the Wasilla Airport; and

WHEREAS, Wasilla Municipal Code 5.32.120.C.3 provides for airport leases with terms greater than 10 years are subject to recommendation of approval by the Planning Commission and approval of the City Council.

NOW, THEREFORE BE IT RESOLVED, that the Wasilla Planning Commission recommends approval to the City Council of a 30-year lease to Michael Sandstrom for Wasilla Airport Lease Lot 18A in accordance with Wasilla Municipal Code 5.32.120.C.3.

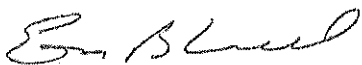
ADOPTED by the Wasilla Planning Commission on December 14, 2021.

APPROVED:

ATTEST:



Tina Crawford, AICP, City Planner

 12-16-2021
Eric Bushnell, Chair Date

VOTE: Passed Unanimously

Mike Sandstrom
1206 West Lake Lucille Dr.
Wasilla Alaska 99654

Archie Giddings, P.E.
Director of Public Works
City of Wasilla
290 E. Herning Way
Wasilla Alaska 99654

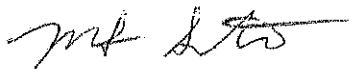
10/19/2021

Dear Archie,

Re: New Wasilla Airport ADD 2 Lot 18A lease duration

I would like to change my existing lease to a 30 lease as allowed by city code. The purpose of this request is to facility financing of the development and aid in long term planning. I have in excess of \$300,000 invested in the property at this time. This process is new to me so please let me know if any further action is required on my part to see the happen.

Sincerely;



Mike Sandstrom
1206 West Lake Lucille Dr.

907-227-5686

ALASKA

2016-000347-0

Recording District 311 PALMER

01/07/2016 12:38 PM

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LEASE
of Lot 18-A
City of Wasilla
And Michael Dale Sandstrom



Return To:
City of Wasilla
290 East Herning Avenue
Wasilla, Alaska 99654

GENERAL RECORDS

**PALMER
DISTRICT**

**SERIAL NUMBER
2016-000347-0**

**SUBMITTED FOR RECORDING WITH
DAMAGE.**

**DATE: 01/07/2016
INITIALS: KJH**

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This LEASE is between the CITY OF WASILLA, an Alaskan municipal corporation hereinafter referred to as the "Lessor", and Michael Dale Sandstrom, [X] an individual, [] a partnership, [] an Alaskan Corporation, hereinafter referred to as the "Tenant".

The parties hereby agree as follow:

ARTICLE 1

PREMISES, TERMS AND RENTALS

Section 1.1 Premises

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

Lease Lot 18-A, New Wasilla Airport, as shown on Exhibit A to the Lease containing 16,800 square feet (0.39 acres).

Section 1.2 Term

The term of this lease shall be for a period of ten (10) years, commencing on the 1st day of October 2015 (the Commencement Date), and expiring on the 30th day of September, 2025, unless sooner terminated as provided in this lease. The tenant may renew lease at their option if the tenant is not in default of the previous lease.

Section 1.3 Rent

- (a) Tenant shall pay to the Lessor the amount of One Thousand Eight Dollars (\$1,008.00) per year (\$0.06 per square foot annually) payable monthly or annually in advance at the office of the Lessor. Failure to pay rent by the tenth (10th) day of the month shall obligate the Tenant to pay a late charge of ONE HUNDRED DOLLARS (\$100.00) for each late payment.
- (b) All taxes, charges, costs and expenses that the Tenant is required to pay, and all damages, costs and expenses that the Lessor may incur by reason of any default of the Tenant or failure on the Tenant's part to comply with the terms of the lease, shall be deemed to be additional rent and in the event of nonpayment by the Tenant, the Lessor shall have all the rights and remedies with respect thereto that the Lessor has for the nonpayment of the basic rent.

Section 1.4 Rent Adjustment

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

ARTICLE II

USE

Section 2.1 Airport Purposes

Tenant may use the Property for personal and light commercial aeronautical related activities. All planned development shall be consistent with the Wasilla Municipal Airport Master Plan. It is the purpose of this Lease to foster and abet air commerce at the Wasilla Municipal Airport and it is not the Intent of this Lease to provide Property for uses which do not promote the development and use of the Wasilla Municipal Airport. Any non-aeronautical use on airport property must be limited and incidental.

Section 2.2 Prohibited Uses

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

Section 2.3 Hazardous Material

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

Section 2.4 Subordination of Lease to Requirements of the Federal Aviation Agency

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



Section 2.5 Aircraft on Premises

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

Section 2.6 Discriminatory Acts Prohibited

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

Section 2.7 Maintenance of Premises

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

Section 2.8 Signs

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

Section 2.9 Improvements and Alterations

- (a) Lessor has entered into this Lease for the purpose of developing air commerce at the Wasilla Municipal Airport, and a material consideration for the obligations of Lessor under this Lease is the agreement of Tenant to construct, at Tenant's expense, the improvements to the Property described in the lease application.
- (b) Within 30 days after the Commencement Date, Tenant shall provide to Lessor the following with respect to the Initial Improvements: (i) copies of documents evidencing the commitment of financing for the Initial Improvements; (ii) the plans and specifications for the Initial Improvements required by Section 2.10(a); and



(iii) the performance and payment bonds for the construction of the Initial Improvements required by Section 2.10(d).

- (c) Tenant shall cause all Initial Improvements to be completed before September 30, 2017. Tenant shall proceed with reasonable diligence to complete the Initial Improvements, and shall cause the Initial Improvements to be complete and ready for use (including without limitation the issuance to Tenant of any required certificate of occupancy for the Initial Improvements) not later than 24 months after the Commencement Date. Tenant's failure, regardless of cause, to complete construction of the Initial Improvements within 24 months after the Commencement Date, shall be cause for Lessor, by written notice to Tenant, to terminate this Lease.

Section 2.10 General Construction Requirements

Tenant shall comply with the following requirements for all construction on the Property.

- (a) Before commencing any construction on the Property, Tenant shall submit to Lessor plans and specifications for the construction. Lessor shall have the right to comment upon the plans and specifications, and to require Tenant to make reasonable changes so as to avoid interference with airport operations and to conform to regulatory requirements governing the construction and Tenant's use and occupancy of the Property, but the exercise of these rights shall not imply any obligation to do so nor any obligation to do so in a particular way. Tenant shall perform all construction on the Property in accordance with final plans and specifications approved by Lessor. Lessor's representatives may monitor and inspect the work and shall have access to the Property at all reasonable times for those purposes. Tenant shall be solely responsible for completing all improvements according to Tenant's plans and specifications and shall bear all risk, responsibility, and liability for properly surveying the Property before construction, and placing all improvements on the Property without encroaching upon any easements, rights-of-way or setback requirements.
- (b) Tenant shall keep the Property free of mechanic's and materialmen's liens at all times. Tenant shall notify Lessor at least five days before the commencement of any work or the delivery of any materials. Lessor shall have the right to post and maintain on the Property any notices of responsibility provided for under applicable law.
- (c) Tenant, at its sole cost, shall obtain all permits necessary to the construction, and shall comply with all federal, state and local statutes and regulations with respect to the construction. Lessor's approval of plans and specifications for the construction shall not constitute the assumption of any liability to Tenant for their compliance or conformity with applicable legal requirements, or for the accuracy of the plans or specifications. Lessor's approval of plans and specifications for the construction shall not waive Lessor's right thereafter to require Tenant to cure any violations of applicable legal requirements in the construction. Nothing in this Lease shall restrict Lessor in the exercise of its police power or authority to enforce building, fire and other safety codes, laws, ordinances or regulations.



- (d) Tenant shall require any general contractor that it employs to obtain performance and payment bonds in the amount of the contract price, and in the customary form, and furnish copies of all such bonds to Lessor prior to commencement of construction for contracts exceeding \$100,000. Tenant may require, in lieu of performance and payment bonds, another form of performance guaranty acceptable to Lessor.
- (e) On completion of the improvements, Tenant shall provide Lessor with a copy of an as-built survey depicting the improvements as completed.

Section 2.11 Tenant's Right to Terminate

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

Section 2.12 Lessor's Improvements

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

Section 2.13 Aviation Easement

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



ARTICLE III

TAXES, INDEMNIFICATION AND INSURANCE

Section 3.1 Taxes, Assessments and Utilities

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

Section 3.2 Indemnification

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

Section 3.3 Insurance

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

A. Workers Compensation Insurance, covering all employees of the Tenant, in statutory limits, to include any of the obligations assumed by the Tenant under this Lease.

B. Commercial Automobile Liability Insurance, whether Owned, Hired, or Non-Owned; liability limits of not less than \$500,000.00 Combined Single Limit or Liability per Accident/Unlimited Annual Aggregate including Uninsured/Underinsured Motorist, with minimum limits as follows:

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

C. Premises Liability in the Amount of:

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



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

ARTICLE IV

ASSIGNMENT AND SECURITY INTERESTS

Section 4.1 Assignment or Sub-Leasing

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

Section 4.2 Mortgage and Encumbrances

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



ARTICLE V

DEFAULT AND ENFORCEMENT

Section 5.1 Default Defined

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

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

Section 5.2 Lessor Remedies on Default

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

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

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

Section 5.3 Termination

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



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

Section 5.4 Reentry

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

Section 5.5 Lessor's Right to Perform

In the event of default by the Tenant, the Lessor at Lessor's discretion may cure such default on behalf of the Tenant for the account and at the expense of Tenant, in which event Tenant shall reimburse the Lessor for all sums paid to affect such cure, together with an interest at 5% per annum and reasonable attorneys' fees. In order to collect such reimbursement, the Lessor shall have all the rights and remedies available under this lease for a default in the payment of rents.

Section 5.6 Damages

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

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



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

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

Section 5.7 Right of Access

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

Section 5.8 Lessor's Failure to Enforce and Nonwaiver

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

ARTICLE VI

GENERAL COVENANTS

Section 6.1 Condition and Status of Premises

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

Section 6.2 Risk of Loss

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



Section 6.3 Repair or Rebuilding

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

Section 6.4 Condemnation

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

Section 6.5 Surrender of Premises

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

Section 6.6 Reversion and Removal of Buildings and Improvements

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

Section 6.7 Holdover

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



Section 6.8 Right-of-Way Easement

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

Section 6.9 Notices

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

Lessor's Address: City of Wasilla
290 E. Herning Avenue
Wasilla, Alaska 99654 907-373-9010

Tenant's Address: Michael Dale Sandstrom
1206 W. Lake Lucille Drive
Wasilla, AK 99654 907-229-5686

Section 6.10 Rights or Remedies

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

Section 6.11 Successors in Interest

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

Section 6.12 Applicable Law and Forum

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

Section 6.13 Recordation of Lease

The parties may record a memorandum of this lease or the lease itself.


Section 6.14 Severability

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

Section 6.15 Entire Agreement

This written lease with exhibits constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior or contemporaneous agreements, oral or written, between the parties. No modifications, amendments, deletions, additions or alterations of this lease shall be effective unless in writing and signed by the parties. This lease shall not be construed more strictly against one party than the other.

LESSOR:
CITY OF WASILLA

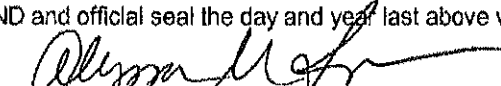


Mayor, Bert L. Cottle

STATE OF ALASKA)
) ss.
THIRD JUDICIAL DISTRICT)

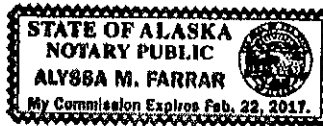
THIS IS TO CERTIFY that on the 3rd day of November, 2015, before the undersigned Notary Public for the State of Alaska, duly commissioned and sworn, personally appeared Bert Cottle, known to me to be the individual described in and who executed the within and foregoing Lease on behalf of tenant and acknowledged to me that he signed the same in the name of and for and on behalf of the tenant, freely and voluntarily and by tenant's authority 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: 02/22/17

TENANT Michael Dale Sandstrom
By: Mike Latta
Title: _____
Date: Oct 28, 2015

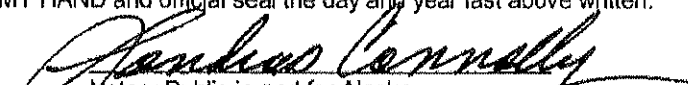


STATE OF ALASKA)
) ss.
THIRD JUDICIAL DISTRICT)

THIS IS TO CERTIFY that on the 28th day of October, 2015, before the undersigned Notary Public for the State of Alaska, duly commissioned and sworn, personally appeared MIKE SANDSTROM known to me to be the individual described in and who executed the within and foregoing Lease on behalf of tenant and acknowledged to me that he signed the same in the name of and for and on behalf of the tenant, freely and voluntarily and by tenant's authority 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: 8-19-19



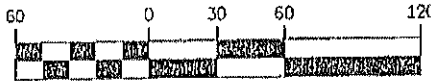
EXHIBIT A - LOT 18-A

LEGEND:

- RECOVERED 1" ALUMINUM CAP MONUMENTS
- SET 1" ALUMINUM CAP MONUMENTS
- RECOVERED ADOT RUNWAY CENTERLINE MONUMENTS



GRAPHIC SCALE



1 INCH = 60 FEET

NUM	BEARING	DISTANCE
L1	N39°35'24"W	825.28'
L2	N32°14'14"W	821.29'
L3	N24°55'56"W	830.82'

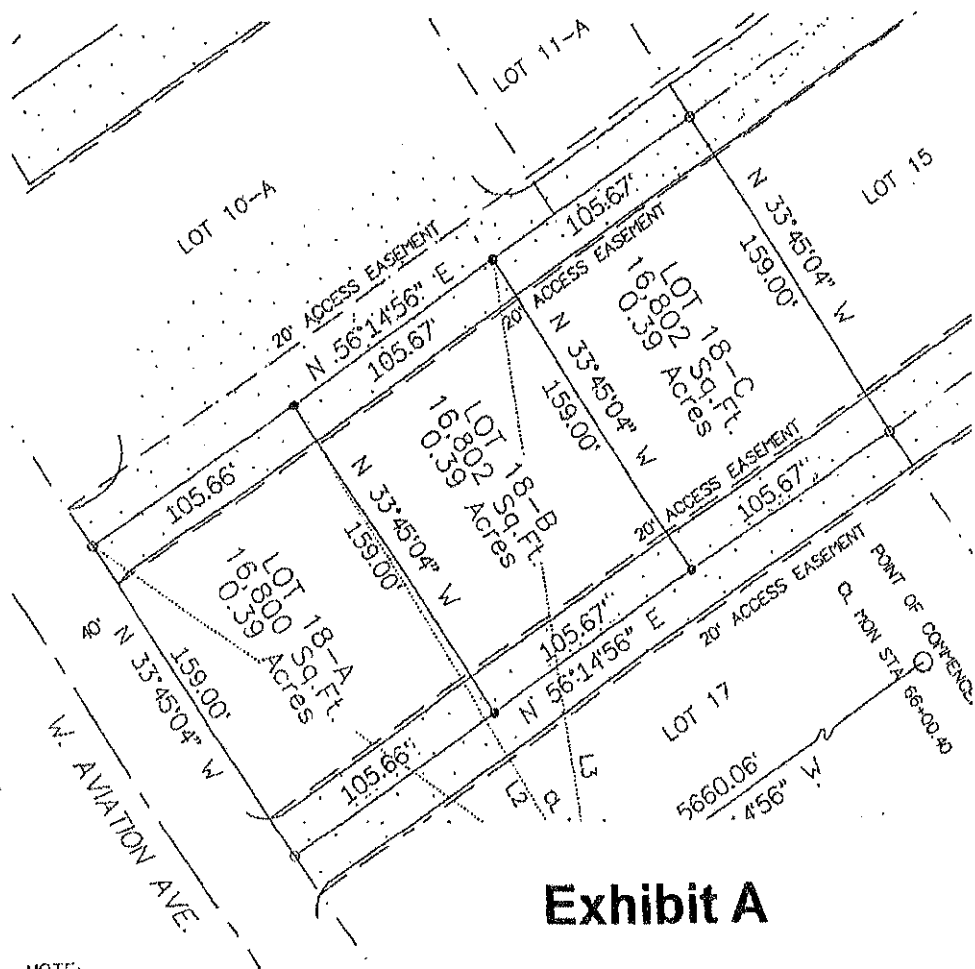


Exhibit A

NOTE:

THE BASIS OF BEARING IS BETWEEN THE CENTERLINE PRIMARY MONUMENTS LOCATED AT STATION 10+00.08 AND 66+00.40, SHOWN ON THE PLAT OF "NEW WASILLA AIRPORT ADD. 2" WITHIN THE PALMER RECORDING DISTRICT, PLAT NO. 2006-124.



5099 E. BLUE LUPINE DR.
#104, WASILLA, AK 99654
(907) 376-8800
admin@acuteksurvey.com

PAGE 2 OF 2	SCALE 1" = 60'	DRAWN TENDRA	CHECKED TLN
JOB # 15-05.04	LEGAL DESCRIPTION		



Legal Description

Lease Lot 18-A, located entirely within the plat of The New Wasilla Airport Add. 2, Plat No. 2006-124, Township 17 North, Range 2 West, Section 12, Seward Meridian, Alaska, Palmer Recording District, as described as follows, and shown on the following page;

Commencing at the Centerline AKDOT Runway Monument, marked as CL MON STA 66+00.40, thence S 56°14'56" W along the Runway Centerline, a distance of 5,660.06 feet to a point marked by a Centerline AKDOT Runway Monument, marked as CL MON STA 10+00.08,

Thence N 39°35'24" W a distance of 825.28 feet to a 1" aluminum cap monument on the Northwest property corner of Lot 18-A, described as CL STA 09+16.36 821.00' LT, this being THE TRUE POINT OF BEGINNING;

Thence N 56°14'56" E a distance of 105.66 feet to a point, marked by a 1" aluminum cap monument, "Acutek Geomatics, NE 18-A, 9106-S",

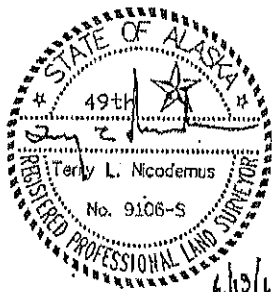
Thence S 33°45'04" E a distance of 159.00 feet to a point, marked by a 1" aluminum cap monument, "Acutek Geomatics, SE 18-A, 9106-S",

Thence S 56°14'56" W a distance of 105.66 feet to a point, marked by a 1" aluminum cap monument, "Acutek Geomatics, SW 18-A, 9106-S", described as CL STA 09+16.36 662.00' LT,

Thence N 33°45'04" W a distance of 159.00 feet to a point, a 1" aluminum cap monument on the Northwest property corner of Lot 18-A, described as CL STA 09+16.36 821.00' LT, this being THE TRUE POINT OF BEGINNING, and the terminus of this description.

Contains 16,800 Sq. Ft. +/-

Exhibit A



COPY

