

**CITY OF WASILLA
RESOLUTION SERIAL NO. 11-03**

A RESOLUTION OF THE WASILLA CITY COUNCIL AUTHORIZING A PROPERTY LEASE TO KRAZY MOOSE SUBS FOR VEHICLE PARKING AT LOT 8, BLOCK 1, WASILLA TOWNSITE.

WHEREAS, Krazy Moose Subs operates a food service business out of the Herning-Teeland Building as part of a lease with the Wasilla-Knik Historical Society; and

WHEREAS, the City owns the gravel parking lot at Lot 8, Block 1, Wasilla Townsite; across the street from the Herning-Teeland Building; and

WHEREAS, Krazy Moose Subs is seeking a three year lease of the gravel parking lot to support their business at a lease rate of \$300 per month; and

WHEREAS, the administration believes this lease is in the best interest of the City.

NOW, THEREFORE, BE IT RESOLVED, the Wasilla City Council hereby authorizes a three year lease of Lot 8, Block 1, Wasilla Townsite to Krazy Moose Subs in the amount of \$300 per month for vehicle parking.

ADOPTED by the Wasilla City Council on January 10, 2011.


VERNE E. RUPRIGHT, Mayor

ATTEST:


KRISTIE L. SMITHERS, MMC, City Clerk

[SEAL]

VOTE: Harris, Holler, Katkus, Menard, Sullivan-Leonard and Woodruff in favor.



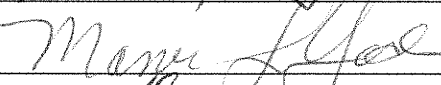



**CITY OF WASILLA
LEGISLATION STAFF REPORT**

RESOLUTION SERIAL No. 11-03: AUTHORIZING A PROPERTY LEASE TO KRAZY MOOSE SUBS FOR VEHICLE PARKING AT LOT 8, BLOCK 1, WASILLA TOWNSITE.

Agenda of: January 10, 2010
Originator: Public Works Director

Date: December 27, 2010

Route to:	Department	Signature/Date
X	Public Works Director	 12/27/10
X	Finance Director	 12/27/10
X	Interim Deputy Administrator	
X	City Clerk	

REVIEWED BY MAYOR VERNE E. RUPRIGHT: 

FISCAL IMPACT: yes \$3,600 annual revenue

Account name/number:

Attachments: Lease Agreement (9 pp)

SUMMARY STATEMENT: Krazy Moose Subs currently operates a food service business out of the Herning-Teeland Building through a lease with the Wasilla-Knik Historical Society. Krazy Moose Subs is seeking a 3-year lease of the City's gravel parking lot located at Lot 8, Block 1, Wasilla Townsite, across the street from their business.

STAFF RECOMMENDATION: Approve the adoption of Resolution Serial No. 11-03 that authorizes a 3-year lease with Krazy Moose Subs in the amount of \$300 per month for the City's gravel parking lot located at Lot 8, Block 1, Wasilla Townsite.

LEASE
of Lot 8, Block 1, Wasilla Townsite
Downtown Gravel Parking Lot

TABLE OF CONTENTS

ARTICLE I	1
PREMISES, TERMS, AND RENTALS	1
Section 1.1 Premises.....	1
Section 1.2 Term.....	1
Section 1.3 Rent.....	1
Section 1.4 Rent Adjustment.....	1
ARTICLE II	1
USE	1
Section 2.1 Parking Lot	2
Section 2.2 Prohibited Uses	2
Section 2.3 Hazardous Materials.....	2
Section 2.4 Discriminatory Acts Prohibited.....	2
Section 2.5 Maintenance of Premises	2
Section 2.6 Tenant's Right to Terminate	2
ARTICLE III	2
TAXES, INDEMNIFICATION AND INSURANCE	2
Section 3.1 Taxes, Assessments and Utilities.....	2
Section 3.2 Indemnification	2
ARTICLE IV	3
ASSIGNMENT AND SECURITY INTERESTS.....	3
Section 4.1 Assignment or Subleasing.....	3
Section 4.2 Mortgage and Encumbrances	3
ARTICLE V	4
DEFAULT AND ENFORCEMENT.....	4
Section 5.1 Default Defined.....	4
Section 5.2 Lessor Remedies on Default	4
Section 5.3 Termination.....	4
Section 5.4 Lessor's Right to Perform	4
Section 5.5 Right of Access	5
Section 5.8 Lessor's Failure to Enforce and Nonwaiver	5
ARTICLE VI	5
GENERAL COVENANTS.....	5
Section 6.1 Condition and Status of Premises	5
Section 6.2 Holdover	5
Section 6.3 Right-of-Way Easement.....	5
Section 6.4 Notices.....	6
Section 6.5 Rights or Remedies.....	6
Section 6.6 Successors in Interest	6
Section 6.7 Applicable Law and Forum	6
Section 6.8 Severability	6
Section 6.9 Entire Agreement	6

This LEASE is between the CITY OF WASILLA, an Alaskan municipal corporation hereinafter referred to as the "Lessor", and Krazy Moose Subs., an individual business, 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"):

Lot 8, Block 1, Wasilla Townsite, 290 N. Boundary as shown on Exhibit A to the Lease containing 0.16 acres.

Section 1.2 Term

The term of this lease shall be for a period of (3) years, commencing on the 1st day of February 2011 (the Commencement Date), and expiring on the 31st day of January, 2014, unless sooner terminated as provided in this lease. The tenant may renewal lease at their option if the tenant is not in default of the previous lease.

Section 1.3 Rent

Tenant shall pay to the Lessor the amount of Three Hundred Dollars (\$300.00) per month. Failure to pay rent by the tenth (10th) day of the month shall obligate the Tenant to pay a late charge of \$50.00 for each late payment.

Section 1.4 Rent Adjustment

At each 3-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.

ARTICLE II

USE

Section 2.1 Parking Lot

Tenant may use the Property for vehicle parking to support their business across the street. It is the purpose of this Lease to foster support of the tenant's business.

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.

Section 2.3 Hazardous Material

Tenant shall not cause or permit any hazardous material to be on or used on the Property.

Section 2.4 Discriminatory Acts Prohibited

The Tenant shall not discriminate against any person or class of persons by reason of race, color, creed, gender, or national origin.

Section 2.5 Maintenance of Premises

The Tenant shall keep the entire premises in good repair and in a neat, orderly and sightly 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 is responsible for any maintenance associated with use as a parking lot.

Section 2.6 Tenant's Right to Terminate

The Tenant shall have the option to terminate this lease for any reason upon thirty (30) day written notice to Lessor.

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. 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. Commercial Liability Insurance in the Amount of:

\$1,000,000.00	Combined Single Limit of Liability per Occurrence
----------------	---

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

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.

Section 4.2 Mortgage and Encumbrances

Tenant shall not mortgage or otherwise encumber this lease, including Tenant's the improvements thereon, without the prior written consent of Lessor.

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.

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) Perform any act required hereunder to be performed by the Tenant and recover the cost thereof as provided in Section 5.4, below,

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 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 effect 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 5.5 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 5.6 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 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 6.3 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 6.4 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

Tenant's Address: Krazy Moose Subs
PO Box 875445
Wasilla, AK 99687

Section 6.5 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 6.6 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 6.7 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 6.8 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 6.9 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, Verne E. Rupright

STATE OF ALASKA)
) ss.
THIRD JUDICIAL DISTRICT)

THIS IS TO CERTIFY that on the ____ day of _____, 2011, before the undersigned Notary Public for the State of Alaska, duly commissioned and sworn, personally appeared _____, 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:_____.

TENANT, Krazy Moose Subs
By: _____
Title: _____
Date: _____

STATE OF ALASKA)
) ss.
THIRD JUDICIAL DISTRICT)

THIS IS TO CERTIFY that on the ____ day of _____, 2011, before the undersigned Notary Public for the State of Alaska, duly commissioned and sworn, personally appeared _____, 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:_____.