

LEASE

This lease, made this _____ day of _____ 2015, by and between Plymire Investments, LLC (Lessor) and the Kenai Peninsula Borough (Lessee) pursuant to KPBR Resolution 2015-____.

WITNESSETH:

1. **Premises.** Lessor, for and in consideration of the rents, covenants, and conditions hereinafter specified to be paid by Lessee, does hereby lease to Lessee, the real estate located in the Homer Recording District, Third Judicial District, State of Alaska, more particularly described as follows:

Approximately 1,000 square feet of office space in the Plymire Building located at 206 East Pioneer Avenue #1, Homer, Alaska 99603 situated on Lot 5A, Nils O. Svedlund Replat Lot 5, Tract A, Amended, according to Plat No. 85-92.

for the purpose of providing administrative office space to the Kenai Peninsula Borough.

2. **Term.** The initial term of this lease shall be for one year commencing on the 1st day of July 2015, through and including the 30th day of June 2016, unless sooner terminated.

The Lessee shall have the option to renew this lease for up to four additional one-year periods for a total renewal of four years.

3. **Rental.** In consideration of the rental of the premises by Lessor, the Lessee covenants to pay to the Lessor, as rental for the premises described in paragraph 1 above, the sum of one thousand three hundred fifty dollars (\$1,350.00) per month, in advance, on the 1st day of each and every month. All payments, unless and until otherwise directed in writing by Lessor, shall be paid to the Lessor. The monthly rental rate of one thousand three hundred fifty dollars (\$1,350.00) is for the first one-year term. Each of the four additional one-year renewal options will be adjusted by the Consumer Price Index (CPI) – Anchorage (all goods and services).

4. **Covenants of Lessee.** The Lessee hereby covenants and agrees:

A. **To pay rent:** The Lessee will pay the said rent specified at the times and in the manner set out in paragraph 3 herein, except only in the case of fire or other casualty as herein provided.

B. **Not to assign.** Lessee shall not assign, sublet or part with the possession of all or any part of the leased premises without the prior written consent of the lessor. Such consent shall not be unreasonably withheld by Lessor.

- C. To permit Lessor to enter. Lessee shall allow the Lessor, on 24 hours' written notice, at reasonable times, to enter, view the premises, and make any repairs which Lessor may see fit to make, except that 24 hours' notice is not necessary for emergency repairs. An employee or agent of Lessee for all Lessor entries onto the premises shall accompany Lessor unless this right is specifically waived in writing by the Lessee. Lessee may waive in writing the 24-hour notice requirement for Lessor's entry onto premises.
 - D. To yield up premises. At the expiration of the term of this lease, Lessee will peaceably yield up to the Lessor the premises, in good repair in all respects, reasonable use and wear and damage by fire and other casualties excepted.
 - E. Alterations. Lessee shall not, without the Lessor's prior written consent first obtained in each instance, make any alterations or additions in or about the leased premises. All permanent alterations or improvements made to the premises shall become the property of the Lessor and be surrendered as part of the leased premises upon the termination of this Lease.
 - F. Licenses and Permits. Lessee, at its own expense, shall obtain all licenses and permits required by governmental agencies having jurisdiction over the operation of its business.
 - G. Maintenance. Lessee, at its own expense, shall maintain the leased premises and appurtenances thereto in good repair, and in at least as good condition as that in which they are delivered, allowing for ordinary wear and tear. Lessee shall be responsible for the maintenance and all minor repairs to the interior of the leased premises.
 - H. Utilities and Service. Lessee shall pay for its own electricity, heating energy and telephone utilities. Lessee shall also provide its own janitorial services at lease location. Lessor shall provide utilities and services as described in Section 5.
5. **Lessor's warranties.** The Lessor covenants, guarantees and provides the following express warranties:
- A. No existing restrictions interfere with the Lessee's permitted and intended use of the leased property.
 - B. Adequate ingress and egress to leased property is available.
 - C. Lessor has sufficient interest in property to grant tenant this leasehold.
 - D. Lessee shall have quiet enjoyment of the premises.
 - E. The property is fit for its intended use.
 - F. Any use, treatment, storage, or transportation of hazardous substances has been in compliance with all applicable federal, state and local laws. No hazardous

substances have been released, discharged, spilled, leaked, disposed of, or omitted on, in, or under the premises. The premises are free of hazardous substance.

- G. Lessor shall be responsible for all snow and ice removal from the roof and the adjacent parking area and sanding as necessary.
 - H. Lessor shall keep the structural supports, exterior walls, roof, plumbing and heating system in good order and repair.
 - I. Lessor shall provide water and sewer, at its own cost and expense. Lessee shall provide all other utilities.
 - J. Lessor shall provide parking spaces for a minimum of 5 motor vehicles to be used by the Lessee, its customers, and guests.
6. **Default by Lessor/Lessee.** Should either Lessee or Lessor default in the performance of the obligations of any covenants of this lease and fail to fully remedy such default within thirty days after written notice by the nondefaulting party, then the lease may be terminated by written notice to the defaulting party. All rental hereunder shall abate during the period of any such default. Upon termination of this lease, Lessor shall refund to Lessee any unearned advance rental paid of lessee.
7. **Liability and insurance.** Each party shall be responsible and liable for its own acts and omissions under this lease. Lessee agrees to carry \$500,000 liability insurance and \$50,000 fire legal liability insurance. Lessee further understands that it shall be insured, if it so desires, and of its personal property and other belongings which are kept within its premises. Lessee shall not do anything or bring anything within the premises which shall increase the risk of fire or other loss to the premises.
8. **Permits, law, and taxes.** Lessor shall acquire and maintain in good standing all permits, licenses, and other entitlements necessary to the performance under this lease. All actions taken by the Lessor under this agreement shall comply with all applicable statutes, ordinances, rules, and regulations. Lessor shall pay all taxes that may be due and owing to a federal, state, or local taxing entity.
9. **No waiver.** No assent, expressed or implied, by either party to any breach of either party's covenants shall be deemed to be a waiver of any succeeding breach of the same covenants, nor shall any forbearance by a party to seek a remedy for any breach be deemed a waiver by that party of its rights or remedies with respect to such breach.
10. **Integration.** This document contains the entire agreement of the parties hereto. All negotiations, statements, representations, guarantees, warranties, and assurances, whether oral or written, which are in any way related to the subject matter of this lease and the performance of either party hereto, are merged and integrated into the terms of this document.
11. **Modification.** The parties may mutually agree to modify the terms of this agreement. Any modifications shall be in writing executed by both parties.

12. **Renewal.** This lease shall automatically renew for an additional period of one year per renewal term on the same terms as this lease, unless either party gives written notice of the termination no later than 60 days prior to the end of the term or renewal term.
13. **Subject to annual appropriation.** Unless the Kenai Peninsula Borough Assembly by resolution provides otherwise, this lease shall automatically terminate without penalty on June 30 of any year during which the Kenai Peninsula Borough Assembly fails to appropriate funds sufficient to make lease payments on the leased property for the following fiscal year.
14. **Interpretation and enforcement.** This agreement has been drafted following negotiations between the parties. It shall be construed according to the fair intent of the language as a whole, not for or against any party. The interpretation and enforcement of this agreement shall be governed by the laws of the State of Alaska. The titles of sections in this agreement are not to be construed as limitations or definitions but are for identification purposes only.
15. **Severability.** If any section or clause of this agreement is held invalid by a court of competent jurisdiction, or is otherwise invalid under the law, the remainder of this agreement shall remain in full force and effect.
16. **Notice.** Whenever notice is required hereunder, it shall be addressed as follows until written notice of change of address is given to the other party:

Lessor:
 Plymire Investments, LLC
 206 East Pioneer Avenue, #2
 Homer, AK 99603

Lessee:
 Kenai Peninsula Borough
 144 N. Binkley Street
 Soldotna, AK 99669

LESSOR:

LESSEE:

 By: Diane Shoultz,
 Member / Manager
 Plymire Investments, LLC

 By: Mike Navarre, Mayor
 Kenai Peninsula Borough

Date: _____

Date: _____

ATTEST:

APPROVED AS TO FORM
AND LEGAL SUFFICIENCY:

Johni Blankenship
Borough Clerk

Holly B. Montague
Deputy Borough Attorney

NOTARY ACKNOWLEDGMENT

STATE OF ALASKA)
) ss.
THIRD JUDICIAL DISTRICT)

The foregoing instrument was acknowledged before me this _____ day of _____ 2015 by Mike Navarre, Mayor of the Kenai Peninsula Borough, an Alaska municipal corporation, for and on behalf of the corporation.

Notary Public in and for Alaska
My commission expires: _____

NOTARY ACKNOWLEDGMENT

STATE OF ALASKA)
) ss.
THIRD JUDICIAL DISTRICT)

The foregoing instrument was acknowledged before me this _____ day of _____ 2015, by Diane Shoultz, member/manager of Plymire Investments, LLC, an Alaska limited liability company, for and on behalf of the company.

Notary Public in and for Alaska
My commission expires: _____