

# **SPECIAL MONDAY MEETING OF THE CITY COUNCIL**

**AGENDA  
FOR THE SPECIAL MEETING  
OF THE CITY COUNCIL  
FOR THE CITY OF THORNE BAY  
ALASKA,  
COUNCIL CHAMBERS  
CITY HALL  
MONDAY  
October 12, 2015  
6:30p.m.**

The meeting will be preceded by a workshop beginning at 6:00p.m.  
The public is invited and encouraged to attend

1. CALL TO ORDER:
2. PLEDGE TO FLAG:
3. ROLL CALL:
4. APPROVAL OF AGENDA:
5. MAYOR REPORT:
6. CITY ADMINISTRATOR REPORT:
7. PUBLIC COMMENTS:
8. COUNCIL COMMENTS:
9. CONSENT AGENDA:
  - A. **MINUTES:**
    1. Minutes for the September 1, 2015, Regular City Council Meeting, discussion and action item:
    2. Minutes for the September 24, 2015, Special City Council Meeting, discussion and action item:
10. NEW BUSINESS:
  - A. Certification of October 6, 2015, General Municipal Election, discussion and action item:
  - B. Approval of rental agreement between the City of Thorne Bay and Pure Nickel for rental of City Property, discussion and action item:
  - C. Approval of rental agreement between the City of Thorne Bay and Nick Gefre for rental of City Property, discussion and action item:
  - D. Approval of rental agreement between the City of Thorne Bay and Papac Logging for rental of City Property, discussion and action item:
  - E. Approval of rental agreement between the City of Thorne Bay and Cindy Edenfield for rental of Trailer in RV Park, discussion and action item:
  - F. Federal Subsistence Regional Advisory Council nomination of one person, discussion and action item:
  - G. Petition to repeal Resolution number 15-09-01-01, which amended Resolutions 13-07-02-02, 09-11-30-03 and 09-01-20-01, titled Fee Schedule for Fire and EMS Departments, discussion and action item:

- H. Appointment of Village Public Safety Officer for the City of Thorne Bay, discussion and action item:
11. EXPENDITURES EXCEEDING \$2,000.00:
- A. Approval of expenditure to Shuab Elison for tires on tilt-deck trailer and servicing, streets and roads expense for vehicle maintenance, discussion and action item:
- B. Approve expenditure of \$18,749.86 to Alaska Power and Telephone for new street lights, discussion and action item:
- C. Approval of expenditure of \$36,500 to Pacific Truck Sales for the purchase of Dump Truck, discussion and action item:
- D. Approval of expenditure of \$16,500 to Pacific Truck Sales for the purchase of 2001 Ford 350, discussion and action item:
12. EXECUTIVE SESSTION:  
The Council May adjourn to executive session for the purpose of discussing pending or threatened lawsuits in which the city has an interest, which are matters, the immediate knowledge of which would clearly have adverse effect upon the finances of the city.
13. CONTINUATION OF PUBLIC COMMENT:
14. CONTINUATION OF COUNCIL COMMENT:
15. ADJOURNMENT:

Posted: October 8, 2015  
City Hall (2), A&P, SISD, USFS, The Port, Riptide, Tackle Shack

MINUTES  
FOR THE SPECIAL MEETING  
OF THE CITY COUNCIL  
FOR THE CITY OF THORNE BAY  
ALASKA,  
COUNCIL CHAMBERS  
CITY HALL  
THURSDAY  
September 24, 2015  
5:30p.m.

The public was invited and encouraged to attend

1. **CALL TO ORDER:**

Mayor Gould called the meeting to order at 5:30pm.

2. **PLEDGE TO FLAG:**

The council and audience stood for the pledge to the flag.

3. **ROLL CALL:**

Gould, Slayton, McDonald, Edenfield and Hartwell were present. Carlson attended at 5:33pm and Minnillo attended at 5:40p.m.

4. **APPROVAL OF AGENDA:**

Gould moved to approve the agenda. Hartwell seconded the motion. There was no further discussion.

**MOTION:** Move to approve the agenda

**F/S:** Gould/Hartwell

**YEAS:** Gould, McDonald, Slayton, Edenfield and Hartwell

**NAYS:** None

**STATUS:** Motion Passed.

5. **PUBLIC COMMENTS:**

There were no public comments.

6. **COUNCIL COMMENTS:**

McDonald stated a while ago there was an incident at the ferry terminal where an employee noticed something unusual and took the appropriate steps to determine what it was. McDonald stated he was proud of the IFA employee taking the right steps to handle a situation.

7. **EXECUTIVE SESSION:**

- A. The Council may adjourn to executive session for the purpose of discussing pending or threatened lawsuits in which the city has an interest, which are matters, the immediate knowledge of which would clearly have adverse effect upon the finances of the City.

Gould adjourned to executive for the purpose of discussing pending or threatened lawsuits in which the city has an interest, which are matters, the immediate knowledge of which

would clearly have adverse effect upon the finances of the City. Hartwell seconded the motion. Gould invited Teri and Wayne to attend.

**MOTION:** Move to adjourned to executive for the purpose of discussing pending or threatened lawsuits in which the city has an interest, which are matters, the immediate knowledge of which would clearly have adverse effect upon the finances of the City. Hartwell seconded the motion. Gould invited Teri and Wayne to attend  
**F/S:** Gould/Hartwell  
**YEAS:** Slayton, Hartwell, Gould, Edenfield, McDonald and Carlson  
**NAYS:** None  
**STATUS:** Motion Passed.

The meeting reconvened at 6:04pm.

8. **CONTINUATION OF PUBLIC COMMENT:**  
There were no further public comments.

9. **CONTINUATION OF COUNCIL COMMENT:**  
There were no further council comments.

10. **ADJOURNMENT:**  
Gould adjourned the meeting at 6:04p.m.

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James Gould, Mayor

**ATTEST:**

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Teri Feibel, CMC

MINUTES  
FOR THE REGULAR MEETING  
OF THE CITY COUNCIL  
FOR THE CITY OF THORNE BAY  
ALASKA,  
COUNCIL CHAMBERS  
CITY HALL  
TUESDAY  
September 1, 2015  
6:30p.m.

The meeting was preceded by a workshop beginning at 6:00p.m.  
The public was invited and encouraged to attend

1. **CALL TO ORDER:**

Mayor Gould called the meeting to order at 6:32p.m.

2. **PLEDGE TO FLAG:**

The audience and council stood for the pledge to the flag.

3. **ROLL CALL:**

Gould, Carlson, McDonald, Minnillo, Edenfield and Hartwell were present. Slayton was absent.

4 **APPROVAL OF AGENDA:**

Gould moved to approve the agenda removing executive session. Hartwell seconded the motion. There was no further discussion.

**MOTION:** Move to approve the agenda removing executive session.  
**F/S:** Gould/Hartwell  
**YEAS:** Minnillo, Gould, McDonald, Carlson, Edenfield and Hartwell  
**NAYS:** None  
**STATUS:** Motion Passed.

5. **MAYOR'S REPORT:**

Mayor Gould stated he attended the Southeast Conference of Mayor in Ketchikan. Gould stated the conference discussed the stated fiscal deficit and where communities want to go with the legalization of marijuana.

6. **CITY ADMINISTRATOR'S REPORT:**

The City Administrator read a report. (See attached)

The City Clerk stated the October City Council meetings would be rescheduled due to the elections. The October meeting dates are as follows:

October 6, 2015 – General Municipal Election

October 9, 2015 – Canvassing Committee meeting to count absentee and questioned ballots

October 12, 2015 – Special City Council meeting to certify election results, regular business will be held at this time.

October 19, 2015 – Special City Council meeting to appoint a Vice-Mayor for the City of Thorne Bay. Regular business will be held at this time.

7 PUBLIC COMMENTS:

Thom Cunningham commented on the following:

- Seaford Conditional Use permit and trailer still on property
- Thanked Teri and Wayne for posting the council agenda at Davidson Landing

Thom Cunningham read a statement from Lavenia Sylvia commenting on the following:

- Thanked council for penalty for Seaford CUP
- According to CUP Seaford agreed to clean up more than the vehicles
- Money is motivational

Guy Lane submitted comments. (Attached to the minutes)

8. COUNCIL COMMENTS:

McDonald stated he would be out of town October 8<sup>th</sup> through the 29<sup>th</sup>.

Gould stated he felt the Seafords met the definition of not being a junkyard

9. CONSENT AGENDA:

- A. Minutes for the July 21, 2015, City Council Meeting, discussion and action item:
- B. Minutes for the August 4, 2015, City Council Meeting, discussion and action item:
- C. Minutes for the August 18, 2015, City Council Meeting, discussion and action item:

Gould moved to approve the consent agenda. McDonald seconded the motion. There was no further discussion.

MOTION: Move to approve the consent agenda

F/S: Gould/McDonald

YEAS: Edenfield, Carlson, Gould, Hartwell, McDonald and Minnillo

NAYS: None

STATUS: Motion Passed.

10. OLD BUSINESS:

- A. Seaford Conditional Use Permit, discussion and possible action item:  
(This item is on the agenda to review progress made at the “pit” since the daily fine was imposed. The Council may at this time, if all provisions of the conditional use permit have been met, discontinue the daily fine)

McDonald moved that Seaford met the conditions of the Conditional Use Permit with suspension of fines as of August 31, 2015. Edenfield seconded the motion. McDonald stated he had been inspecting the CUP since approval. McDonald requested the public and council review his before and after pictures of the Seaford Property. Minnillo stated the

CUP required a DEC septic approval. Gould stated there was an outhouse on the property. Minnillo inquired if it was inspected. Gould stated the City did not inspect the sewer. Shane Seaford stated there was a 300 gallon holding tank that will be pumped. Seaford stated DEC was there twice without ever addressing the outhouse. Hartwell stated he would vote to discontinue the fine, but did feel there needed to be additional work on the property.

**MOTION:** Move that Seaford met the conditions of the Conditional Use Permit with suspension of fines as of August 31, 2015  
**F/S:** McDonald/Edenfield  
**YEAS:** Hartwell, Gould, Minnillo, Edenfield, McDonald and Carlson  
**NAYS:** None  
**STATUS:** Motion Passed.

- B. Resolution 15-09-01-01, amending Resolution 13-07-02-02, establishing a fee structure for Fire and EMS services, discussion and action item:

Gould moved to approve Resolution 15-09-01-01. Edenfield seconded the motion. Gould explained the resolution. There was no further discussion.

**MOTION:** Move to approve Resolution 15-09-01-01  
**F/S:** Gould/Edenfield  
**YEAS:** McDonald, Minnillo, Carlson, Gould, Edenfield and Hartwell  
**NAYS:** None  
**STATUS:** Motion Passed.

11. **NEW BUSINESS:**

- A. Appointment of Election Judges for the October 6, 2015, General Municipal Election, discussion and action item:

Gould moved to appoint Cindy Egelston, Brandi Blair, Kerri Seaford, Susan McGrath and James Wagemann as election judges for the October 6, 2015, General Municipal Election. McDonald seconded the motion. There was no further discussion.

**MOTION:** Move to appoint Cindy Egelston, Brandi Blair, Kerri Seaford, Susan McGrath and James Wagemann as election judges for the October 6, 2015, General Municipal Election  
**F/S:** Gould/McDonald  
**YEAS:** Edenfield, Minnillo, Hartwell, Carlson, Gould and McDonald  
**NAYS:** None  
**STATUS:** Motion Passed.

12. **ORDINANCES FOR PUBLIC HEARING:**

- A. Ordinance 15-09-01-01, amending Title 10 – Vehicles and Traffic, Chapter 10.20-Parking Standing and Stopping, Section 10.20.060-Off street parking place and removal of unauthorized vehicles, discussion and action item:

Minnillo moved to approve Ordinance 15-09-01-01. Hartwell seconded the motion. Gould explained the ordinance for the public. Minnillo stated he had no issue with the proposed changes, but was not in favor with long term parking at the harbor. There was further discussion.

MOTION: Move to approve Ordinance 15-09-01-01  
F/S: Minnillo/Hartwell  
YEAS: McDonald, Minnillo, Edenfield, Carlson, Gould and Hartwell  
NAYS: None  
STATUS: Motion Passed.

13. EXPENDITURES EXCEEDING \$2,000.00:

- A. Expenditure of \$4,971.72 to Alaska Pump and Supply for repair of lift station, discussion and action item:

Gould moved to approve the expenditure of \$4,971.72 to Alaska Pump and Supply for repair of lift station. Hartwell seconded the motion. There was no further discussion.

MOTION: Move to approve the expenditure of \$4,971.72 to Alaska Pump and Supply for repair of lift station  
F/S: Gould/Hartwell  
YEAS: McDonald, Minnillo, Carlson, Gould, Hartwell and Edenfield  
NAYS: None  
STATUS: Motion Passed.

14. EXECUTIVE SESSION: The Council May adjourn to executive session for the purpose of discussing pending or threatened lawsuits in which the city has an interest, which are matters, the immediate knowledge of which would clearly have adverse effect upon the finances of the city.

*EXECUTIVE SESSION WAS REMOVED FROM THE AGENDA.*

15. CONTINUATION OF PUBLIC COMMENT:  
There were no further public comments.

16. CONTINUATION OF COUNCIL COMMENT:  
There were no further council comments.

17. ADJOURNMENT:  
Gould adjourned the meeting at 7:16p.m.

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James Gould, Mayor

ATTEST:

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Teri Feibel, CMC

To Thorne Bay City Council, Administration and who it may concern,

My Public Comment tonight is a continuation of the statement I made on Aug. 18, 2015, I am forced to speak about this topic which is a public concern and does affect the residents of Thorne Bay, over several City Council Meetings because of the unreasonable three minute public comment limit.

The residents of Thorne Bay should be concerned when there is a possibility that if you file any complaints against the City of Thorne Bay like I did, "the City may Immediately claim you owe the City \$100,000", and the City Administration may; (1) not stop from publicly harassing and or placing you in a false light. (2) attempt to Coerce you into giving up your constitutional rights, (3) refuse you due process when trying to pay City bills, (4) the City may also attempt to Maliciously Oppress you from speaking about any and all City matters, (5) try and Coerce you from being able to file a complaint with the State of Alaska Public Offices Commission known as (APOC), who oversee all publicly elected officials public financial statements so there is a transparent government, (6) not reprimand a City employee who makes threats of violence such as burying anyone for being involved in making public records requests and try and get your child in a vehicle, and instead the City may try and coerce you from publicly speaking about the threats of violence (see email attached below). Its might not be so hard to believe the City will try 1-6 above when you read the City email attached .

I have been chastised by the City Council and their associates, for making a complaint against the City water not meeting state and federal laws, I have been called vulgar names by a Council member who stated I made the entire water issue up for my own personal gain, when (in fact) in the Council packet handed out today you will see that the State of Alaska DEC has filed litigation against the City to force them into improving water quality for public safety, I am now waiting to see if this Council Member is going to call the State of Alaska DEC vulgar names and claim they made up the water violations for their personal gain also.

**It is of serious public concern when the City of Thorne Bay condones the actions a City employee (Billy Joe Phillips) when making threats to bury people for being involved in my public records requests about the City water and or attempted to get my son in his vehicle, this City employee testified under oath that the City Administrator Wayne Benner had never reprimanded or taken any action or sanctions against him for his violent and threatening actions "a long term stalking order was granted against the City employee" and then on Aug. 5, 2015 the City sent me a coercive email (attached below) threatening continued litigation if I do not agree to stop from making any public comments regarding any and all City Business Matter, "including threats against my family" now and forever. This sounds more like the Mafia then a proper city government.**

**It is a serious public concern to live in a town where the publicly elected City Council thinks they have the power strip your constitutional rights and drive you from your home**

**or face continued litigation because you filed a complaint against the City (see email attached below).**

On Aug.4,2014 I gave notice that in the best interest of the Community and my family, I previously agreed to end my litigation with the City and I requested that Wayne Benner and the City end their documented harassment,. Within 24 hours the City attempt to severely violate my constitutional rights (see email attached below). I do request that the City Council reconsider your Aug. 18,2015 decision to take no action regarding the email.

**I am hereby respectfully requesting that the entire City Council immediately inform me and the residents in writing exactly where in the U.S. Constitution or bill of rights or the laws of Alaska or the City ordinances delegate the power or authority to (for the Thorne Bay City Council) to threaten anyone with continued litigation if a resident doesn't give up their constitutional rights forever, or give up their rights to file any complaints against a City Council member to the State of Alaska, or be able to force a resident (WITH A FAMILY) to move from their home, or give up their means to protect their family, or give up their right to life liberty and pursuit of happiness, "because a resident filed a complaint against the City".**

**If you can't follow your oath of office and uphold the Constitution which expressly includes the public being able to file complaints and grievances against the government without the threat of reprisal, then it is past time for you to resign your seat.**

Guy Lane 9-1-15 

Thorne Bay resident whose family has been recipient of the unethical and unconstitutional treatment as described above.

Settlement Recommendation

Settlement Recommendation

Clay Keene

Add to contacts

8/05/15

To: 'Guy Lane'



Mr. Lane,

This email contains settlement discussions that are protected under Evidence Rule 408.

I am prepared to recommend the following outline of a settlement to the City Council, if you find it acceptable. If approved by the City Council, the settlement will require the preparation of three essential documents: (i) stipulation of Lane and the City, (ii) Court Order approving the stipulation, and (iii) a comprehensive settlement agreement to be signed by the parties and entered with the court once the conditions precedent have been met.

The nuts-and-bolts of the recommended settlement contemplate the parties (Lane/City) entering into a stipulation that would be submitted to the court for approval. The stipulation would implement a "stay" of the proceedings for a period of six months, or until Lane sold his property and was ready to leave Thorne Bay, whichever first occurred. During the stay nothing would occur in the lawsuit, and you would agree during the stay not to bring further complaints, claims, either in court or administrative claims, against the City, council members, administrator, employees or the City's

attorney(s); or, bring complaints before the City Council during meetings or otherwise, on any topic concerning the City, including the Council or the Administrator's management of the City, etc. If you are not able to sell his property within the six month period of the stay, the stay would be extended another six months. If you violated the terms of the stay, the City would inform the court of the violation and proceed with litigation of the lawsuit. Upon sale of your real property in Thorne Bay, you execute the comprehensive settlement agreement releasing the City, Billy Jo Phillips, council members, etc., from any and all claims; and, the City would dismiss its counterclaim against you, with prejudice. If this outline is acceptable, I will draft the settlement agreement prior to the parties entering into the stipulation, which would be made an exhibit to the stipulation, with agreement of its execution by both parties once the Lane property was sold.

Here is a summary outline of the proposed settlement I am willing to recommend to the City of Thorne Bay if acceptable to you. Your acceptance will be required to be in writing to me:

- We hold the lawsuit in "abeyance" or under "stay" pending the sale of Lane's home and departure from Thorne Bay;
- This means nothing occurs in the lawsuit, we would have a status hearing in six months, unless you sooner sold your house/property and permanently moved from Thorne Bay;
- During the stay, Lane will not bring other claims or complaints against the City members of the city council, Billy Jo Phillips, council members, APOC complaints etc; and, would not make complaints during council meetings about the City, etc.
- Lane releases his claims relating to moorage fees, and any other claims he has threatened against the City;
- Once Lane sells his home, and leaves Thorne Bay, the lawsuit, including the City's counterclaim would be dismissed with prejudice, each party to be responsible for their own attorney fees;
- The comprehensive release the City, etc., from any and all claims, known or unknown.
- I will prepare the comprehensive release, which you will agree to at this time. Once prepared and agreement reached as to its terms, it would be attached to and made part of the stipulation submitted to the court for approval of the stay and other terms provided above.
- Once the Lane property was sold and the comprehensive release signed, the lawsuit would be dismissed, with prejudice.

Conceptually, the stipulation would require that you “stand down” from further complaints, allegations, etc., about the

City, Council Members, or anything related to the City, its agencies, employees, etc. Essentially, you would be giving up your right to publically complain about anything having to do with anything regarding the City during the stay or after. If the outline of this proposed settlement is acceptable to you, I will advise the City’s Administrator, and proceed with the drafting of the documents once approval is given by the City to proceed. If the proposed terms towards settlement are not acceptable to you as outlined in this email, the City of Thorne Bay will continue litigating the lawsuit.

The outline of a proposed settlement as outlined in this email is contingent on your approval, approval by the City of Thorne Bay, and approval of the stipulation by the Court. Nothing contained herein shall be deemed binding on the City of Thorne Bay, its officials, administrator, attorney or employees, until the conditions set forth herein have been met, and an order issued by the court approving the reference stipulation of the parties. Until such time, the terms and conditions stated herein constitute preliminary, unenforceable settlement discussions, and nothing more. I reserve the right to amend, change, or delete any proposed term stated herein until such time as the parties stipulation is approved by the court.

Regards,

Clay Keene

H. Clay Keene

Keene & Currall, P.C.

Currall Office Building

540 Water Street, Suite 302

Ketchikan, Alaska 99901

Telephone: (907) 225-4131

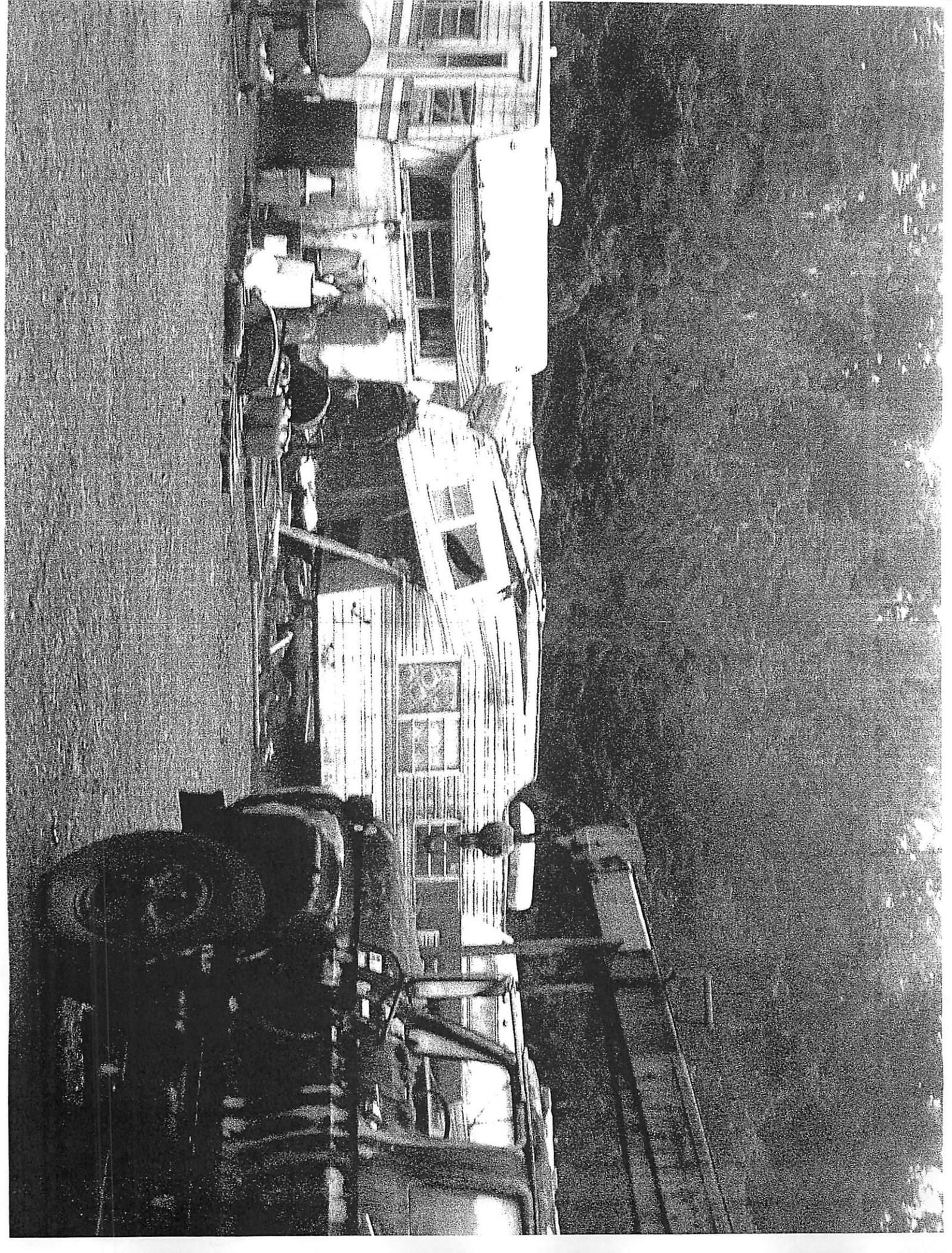
Direct: (907) 228-0503

Facsimile: (907) 225-0540

Direct email: [clay.keene@keenecurrall.com](mailto:clay.keene@keenecurrall.com)

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# RENTAL AGREEMENT

This Rental Agreement is entered into by and between the City of Thorne Bay, Alaska, P.O. Box 110, Thorne Bay, Alaska 99919 (hereinafter called the "CITY" and, Nevada Star Resource Corp. (U.S.) a wholly owned subsidiary of Pure Nickel Inc., (hereinafter called the "Renter").

1. **Rented Premises.** The City does hereby Rent to the Renter an area at the Solid Waste Site for the storage of a 40 foot container, drilling equipment and drill rods, and core samples on municipally owned property within the corporate boundaries of the City of Thorne Bay.

**Municipal Code, Title 2, Article III, Incorporated:** The provisions of "Title 2, Article III of the Thorne Bay Municipal Code shall apply to the terms of this Rental Agreement unless otherwise amended in this Rental Agreement.

2. **Term.** The term of this Rental Agreement shall be Two (2) year(s) beginning October 1, 2015 and ending September 30, 2017. Monthly rental payments due the City shall commence prior to use of Rented Premises and continue throughout the term of this Rental Agreement. Monthly Sales Taxes of 6% due the City shall commence upon the signing of Rental Agreement. Renter shall have the option to renew this Rent for an additional period of time subject to renegotiations of Rent terms and payments acceptable to both the City and Renter. The option to renew and Rent for the additional period can only be effective upon approval by the Thorne Bay City Council. This option to renew shall be exercised by the Renter in writing sixty (60) days prior to the expiration of the original Rent term. The option to renew is specifically waived if not exercised in full compliance with this provision.

This Rental Agreement expires automatically on the last day of the One-Two (12) year period absent the approval of a new Rental Agreement by the Thorne Bay City Council. Absent an approved Rental Agreement the Renter shall vacate the premise on or before the ending date of this Rental Agreement.

In addition to any rights of the City to terminate this Rental Agreement as specified in this Rental Agreement, or as specified in the Thorne Bay Municipal Code, the City shall have all rights to terminate this Rental Agreement in accordance with any provision of applicable law.

3. **Monthly Rent Payment.** Renter covenants and agrees to pay City monthly Rent payments in the sum of One hundred and fifty (\$150) plus applicable sales tax of 6% payable in advance on the first day of each month of the Rent term. In the event any payment required to be made pursuant to this Rental Agreement is more than ten (10) days past due, a late charge equal to ten percent (10%) per annum on such past due amount will be assessed and charged to Renter by City. At the expiration of one year

# RENTAL AGREEMENT

term the monthly Rent payment shall be reviewed and adjusted in accordance with the provisions of Section 2.56.210 of Title 2, Article III of the Thorne Bay Municipal Code.

4. **Deposits.** Renter shall deposit with the City an amount equal to N/A. Upon termination of the Rental Agreement the Renter shall vacate the premise leaving it in the same clean condition as presented at the time said Rental Agreement was initiated. If the premise is in need of cleaning, repairs or the Renter is in default in payments said deposit shall be used to offset such costs. In the event the Rented Premise is clean and in need of no repairs the deposit will be refunded in full. First and last month may be waived in lieu of improvements to the Rented Premises or other City Facilities as provided by Renter per "Exhibit A".
5. **Use.** Renter shall use the Rented Premises for the purposes of maintaining and operating thereon, Storage (40 foot container, drilling equipment and drill rod, and core samples). The entrance gate to the Solid Waste Site shall remain closed at all times except during hours of City operation. The gate shall be locked unless the site is occupied by Renter or City employees. The Rented Premises shall be used for no other purposes without the prior written consent of City.
6. **Utilities and Fees.** Renter shall be responsible for all utility accounts and applicable deposits for said accounts. Renter agrees to pay, and keep current, ALL charges, including deposits for all utilities, including but not limited to water, sewer, refuse collection, electricity, propane, fuel oil and telephone. Failure to do so will result in the utility being shutoff. Activation of a city shutoff shall constitute a material breach of the Rent Agreement resulting in the City's termination of the Rent Agreement. Absent an approved Rental Agreement the Renter shall vacate the premise immediately.
7. **Repairs, Maintenance and Compliance with Laws.** Renter shall maintain the Rented Premises at Renter's sole cost and expense and at all times keep the Rented Premises neat, clean and in a sanitary condition. Renter shall keep and use the Rented Premises in accordance with applicable laws, ordinances, rules, regulations and requirements of all governmental authorities. Renter shall permit no waste, damage or injury to the Rented Premises. Renter's use of the Rented Premises in violation of any law or regulation of any governmental entity related to public health or safety or environmental pollution shall be a material breach of the Rental Agreement and grounds for City's termination of the Rental Agreement. Renter is required to obtain building permit authorization from the City for construction of any and all structures placed on or in the Rented Premises.
8. **Signs, Alterations and Improvements.** All signs or symbols placed on or about the Rented Premises shall be subject to City's prior written approval. After prior written consent of City, Renter may make alterations and improvements to the Rented Premises, at Renter's sole cost and expense. City may elect to require Renter to remove

# RENTAL AGREEMENT

any such alterations and improvements upon termination of this Rental Agreement at Renter's sole cost and expense. Any of Renter's improvements remaining on the Rented Premises longer than thirty (30) days after Renter's possessors rights to the Rented Premises have expired shall become Rented Premises of City.

9. **Insolvency.** In the event Renter becomes insolvent, bankrupt or if a receiver, assignee or other liquidating officer is appointed for the business of Renter, City, in City's sole discretion may immediately terminate this Rental Agreement and require that Renter vacate the Rental Premises.
10. **Subletting or Assignment.** Renter shall not sublet the whole or any part of the Rented Premises nor assign this Rental Agreement without the prior written consent of City. This Rental Agreement shall not be assignable by operation of law. All terms and conditions of the Rental Agreement shall be binding upon any sub Renter or assignee of this Rental Agreement and Renter shall remain fully responsible to City for performance of this Rental Agreement.
11. **Permits and Compliance with Law.** Renter shall obtain all necessary local, state and federal permits necessary for the operation of Renter's business and shall comply with all local, state and federal laws, rules and regulations.

Failure to comply with any requirements of this section shall constitute a material breach of the Rental Agreement. Failure to remedy the violation within 30 days will result in the City's termination of the Rental Agreement. Absent an approved Rental Agreement the Renter shall vacate the premise immediately.

12. **Insurance: General Liability Insurance:** The Renter shall procure and maintain during the life of this agreement, General Liability Insurance on an "occurrence basis" with limits of liability not less than \$1,000,000 per occurrence and /or aggregate combined single limit, personal injury, bodily injury and property damage.

Proof of Insurance shall be provided to City within thirty (30) days after the parties have executed this agreement and prior to public use of said premises. City shall be notified at least thirty (30) days before the cancellation or termination of any policy.

City shall be named as additional insured.

13. **Accidents and Liability.** City or its agent shall not be liable for any injury or damage to the persons or property sustained by Renter or others, in and about the Rented Premises.
14. **Indemnification and Waiver of Subrogation.** To the fullest extent permitted by law, the Renter agrees to defend, indemnify and hold harmless the City, its elected and appointed officials, employees and volunteers against any and all liabilities, claims,

# RENTAL AGREEMENT

demands, lawsuits, or losses, including costs and attorney fees incurred in defense thereof, arising out of or in any way connected or associated with this agreement. To the extent permitted by law, the Renter hereby releases the City, its elected and appointed officials, employees and volunteers from any and all liability or responsibility to the Renter or anyone claiming through or under the Renter by way of subrogation or otherwise, for any loss or damage to the property caused by fire or any other casualty,. This provision shall be applicable and in full force and effect only with respect to loss or damage occurring during the time of the Renter's occupancy or use.

Renter understands that the City accepts no responsibility whatsoever for loss of, or damage to Renter's property.

**15. Removal of Renter's Property and Repair of Rented Property.** All buildings, fixtures and equipment of whatsoever nature, that Renter shall have acquired and installed upon Rented premises, whether permanently affixed or otherwise, shall continue to be the property of the Renter and must be removed by the Renter at the expiration or termination of this Rental Agreement; and at its own expense, Renter shall repair any injury to Rented Premises resulting from such removal. Renter shall remove all buildings, fixtures, and equipment, and make all repairs, within thirty days of the date the Renter vacates Rented Premises. If the Renter fails to remove its buildings, fixtures, and equipment, and fails to make the necessary repairs, the City may do so, and seek reimbursement from the Renter for the full amount of the repairs, without any deduction for the value of any buildings, fixtures, or equipment left on the premises by the Renter. If City determines that it is in City's best interest to acquire the improvements, it may negotiate to purchase Renter's buildings, fixtures, and equipment at a price equal to or less than fair market value.

~~16. Taxes. NA Renter shall be solely and fully responsible for the payment of all applicable federal, state, and Thorne Bay municipal taxes including all Monthly Sales Taxes due the City.~~

**17.16. Liens.** Renter shall maintain Rented Premises free of any and all liens. Renter will not permit any mechanics', laborers' or materialmen's liens to stand against the Rented Property or improvements for any labor or materials furnished to Renter or claimed to have been furnished to Renter, or to Renter's agents, contractors, or sub-Renters, in connection with work of any character performed or claimed to have been performed on Rented premises or improvements by or at the direction or sufferance of Renter; provided, however, Renter shall have the right to contest the validity or amount of any such lien or claimed lien, In the event of such contest, Renter shall give to the City such reasonable security as may be demanded by the City to insure payment of such lien or such claim of lien. Renter will immediately pay any judgment rendered with all proper costs and charges and shall have such lien re-Rented or judgment satisfied at Renter's own expense. Renter agrees to indemnify, hold harmless and to defend the City and Rented premises from such liens. Renter consents to the City's recording of

# RENTAL AGREEMENT

and posting of a statutory notice of non-responsibility in accordance with Alaska Statute 34.35.065

~~18.~~17. **Default by Renter.** Each of the following shall be deemed a default by the Renter and a breach of the Rental Agreement:

- (a) A failure to make payment of any installment, of rent or of any other sum herein specified to be paid by Renter, and Renter fails to cure such default within ten (10) days after receipt of a written notice has been received by Renter specifying such failure to make payment;
- (b) Upon shut off of utilities;
- (c) A default in the performance of any other covenant or condition on the part of the Renter to be performed for a period of thirty (30) days after receipt by Renter of a notice specifying the particular default or defaults;
- (d) The filing of a petition by or against Renter for adjudication as a bankrupt, or for reorganization or arrangement within the meaning of the Bankruptcy Act;
- (e) The dissolution or the commencement of any action or proceeding for the dissolution or liquidation of the Renter or for the appointment of a receiver or trustee of Rented Premises of the Renter;
- (f) The taking possession of Rented Premises of the Renter by any governmental officer of agency pursuant to statutory authority for the dissolution or liquidation of the Renter;
- (g) The making by the Renter of an assignment for the benefit of creditors;
- (h) Renter vacates or abandons the Rented Premises; and
- (i) A failure that continues for thirty (30) days or more to have the City named as an additional insured as required under paragraph 12, and Renter fails to cure such default within ten (10) days after receipt of a written notice has been received by Renter specifying such failure to name the City as an additional insured.

The specification of events constituting default by the Renter in this Section, are in addition to any defaults specified in the Thorne Bay Municipal Code.

~~19.~~18. **City's Remedies for Default.** In the event of any default of the Renter, the City shall have the following rights and remedies – all in addition to any rights or remedies that may be given to the City by statute, common law, or under Thorne Bay Municipal Code.

- (a) ~~Distraint~~Distraint for rent due and subsequent sale of chattels so distrained. The sale of any such chattels shall be in accordance with the procedure set forth in Alaska Statutes.
- (b) Re-enter Rented Premises and take possession thereof, remove all persons therefrom, and remove Renter's property therefrom and store it in a public

# RENTAL AGREEMENT

warehouse or elsewhere at the cost of Renter, all without service of notice or resort to legal process (all of which Renter expressly waives) and without becoming liable for trespass, forcible entry, detainer, or other tort or for any loss or damage which may be occasioned thereby;

- (c) Declare the Term ended;
- (d) Re-let Rented premises in whole or in part for any period equal to or greater, or less, than the remainder of the Term for any sum which is commercially reasonable;
- (e) Cure any such default, if possible, and demand immediate payment until all costs incurred in curing the default have been reimbursed fully, together with interest calculated at the rate of ten percent (10%) per annum at the then current prime rate as established by the First Bank of Alaska;
- (f) Collect all reasonable damages, costs and expenses that the City may incur by reason of default by Renter, together with interest calculated at the rate of ten percent (10%) per annum at the then current prime rate as established by the First Bank of Alaska.
- (g) The City shall use reasonable diligence to relet Rented Premises in or to mitigate the City's damages, consistent with the uses of Rented Premises, and all applicable Thorne Bay code provisions related to this Rent and Rented Premises;

~~20.~~19. **Rights and Remedies.** Except insofar as this is inconsistent with or contrary to any provision of this Rent, no right or remedy herein conferred upon reserved to the City or Renter is intended to be exclusive of any other right or remedy, and each and every right and remedy shall be cumulative and in addition to any other right or remedy given hereunder, or now or hereafter existing at law or in equity or by statute.

~~21.~~20. **Waiver.** Except to the extent that a party may have otherwise agreed in writing, no waiver by a party of any breach by the other party of any of its obligations, agreements or covenants hereunder shall be deemed to be a waiver of any subsequent breach of the same or any other covenant, agreement or obligation. Nor shall any forbearance by a party to seek a remedy for any breach of the other party be deemed a waiver of its rights or remedies with respect to such breach.

~~22.~~21. **Changes.** No modifications, amendments, deletions, additions or alterations of the Rent Agreement shall be effective unless in writing and signed by all of the parties hereto and such representatives of the parties as have been duly authorized to make such changes.

~~23.~~22. **Joint Product.** The language set out in this Rental Agreement represents the joint product of the parties and shall not be construed against one party in favor of the other. Each party hereto has had the option of seeking the advice of legal counsel in the drafting of this Rental Agreement, and the rule of construction favoring construction against the drafter shall not apply. Renter acknowledges and agrees that Renter has not received any legal advice from the City's attorney or from anyone associated with the City.

# RENTAL AGREEMENT

~~24-23.~~ **Authority.** The parties and their undersigned representatives warrant that they have full authority to enter into this Rental Agreement and to execute this Rental Agreement.

~~25-24.~~ **Hazardous Materials.** The Renter shall not permit, store, manufacture or dispose on Rented Premises any hazardous material or controlled substance as determined by federal, state, or municipal statutes or laws now or at any time hereafter in effect, including but not limited to , the Comprehensive Environmental Response, Compensation and liability Act (42 U.S.C. 9601 et seq.) the Hazardous materials Transportation Act (42 U.S.C. 1801 et seq.), the Resource Conservation and Recovery Act (42 U.S.C. 6901 et seq.), the Federal Water Pollution Control Act (33 U.S.C. 1251 et seq.), the Clean Air Act (42 U.S.C.7401 et seq.), the Toxic Substance Control Act, as amended (15 U.S.C. 2601 et seq.), and the Occupational Safety and Health Act (29 U.S.C. 651et seq.), and Title 46 of the Alaska Statutes as these laws have been and may hereafter be amended or supplemented. "Hazardous Substance" means any pollutant, contaminant, toxic substance, flammable, explosive, radioactive material, urea formaldehyde foam insulation, asbestos, PCB's or any other substance the removal of which is required, or the manufacture, preparation, production, generation, use maintenance, treatment, storage, transfer, handling or ownership of which is restricted , prohibited, regulated or penalized by any and all federal, state, or municipal statutes or laws now or at any time hereafter in effect. Hazardous material shall not include cleaning supplies used in the routine daily cleaning and operation of a restaurant.

~~26-25.~~ **Acceptance of the Rented Property by Renter.** Renter acknowledges that it has thoroughly examined Rented Premises. Renter accepts Rented Premises in their "AS IS" condition, and the City shall not be required to perform any work to prepare Rented Premises for the Renter. Renter's taking possession of Rented Premises shall be conclusive evidence against it that, at the time possession was taken, Rented Premises were in good and satisfactory condition. Renter acknowledges that, except for those representations and statements regarding the condition of Rented Premises expressly stated herein, Renter has not relied upon any representations or statements of the City or its representatives or agents regarding the condition of Rented rented premises or their suitability for Renter's uses under this Rent.

1. **Attorneys' Fees and Costs.** Should any dispute and/or legal action arise by reason of any default or breach on the part of Renter in the performance of any of the provisions of the Rental Agreement, Renter agrees to pay all reasonable attorneys' fees and costs incurred by City in connection therewith including City's attorneys' fees and costs incurred on appeal. It is agreed that the venue of any legal action brought under the terms of this Rental Agreement will be the First Judicial District, at Ketchikan, Alaska. Renter specifically agrees that venue for trial in any action related to this Rent shall be in Craig, Alaska.

# RENTAL AGREEMENT

2. **No Waiver of Covenants.** Any waiver by either party of any breach hereof by the other shall not be considered a waiver of any future or similar breach. This Rental Agreement contains all the agreements between the parties, and there shall be no modification of the agreements contained herein except by written instrument signed by both parties.
3. **Surrender of Rented Premises.** Upon termination of this Rental Agreement, Renter agrees to peacefully quit and surrender the rented premises without notice, remove all of Renter's personal property and leave the rented premises neat and clean. If City elects to require Renter to remove any alterations or improvements made by Renter, then Renter shall restore the Rented Premises to their previous condition, at Renter's sole expense.
4. **Binding on Heirs, Successors and Assigns.** The covenants and agreements of this Rental Agreement shall be binding upon the heirs, executors, administrators, successors and assigns of both parties thereto, except as hereinabove provided, and as allowable by law.
5. **Notice.** Any notice required to be given by either party to the other shall be deposited in the United States mail, postage prepaid, addressed to City at P.O. Box 19110, Thorne Bay, Alaska 99919, or the Renter at 95 Wellington Street W. Suite 900, Toronto, Ontario, M5J 2N7 or at such other address as either party may designate in writing to the other.
6. **City's Right of Entry.** The City shall have the right to enter rented premises at all reasonable times to examine the condition of same.

**IN WITNESS WHEREOF,** The parties hereto have executed this Rental Agreement as of the date first set above written.

CITY:

RENTER:

THE CITY OF THORNE BAY

By \_\_\_\_\_  
James Gould, Mayor "City"

By \_\_\_\_\_  
David McPherson, CEO & President  
Nevada Star Resource Corp (U.S.) a  
wholly owned subsidiary of Pure Nickel  
"Renter"

ATTEST:

# RENTAL AGREEMENT

Teri Feibel, City Clerk

DRAFT

# RENTAL AGREEMENT

This Rental Agreement is entered into by and between the City of Thorne Bay, Alaska, P.O. Box 110, Thorne Bay, Alaska 99919 (hereinafter called the "CITY" and, Nick Gefre, (hereinafter called the "RENTER").

1. **Rented Premises.** The City does hereby Rent to the Renter one quarter acre plus or minus of land at the City Hall Lot on municipally owned property within the corporate boundaries of the City of Thorne Bay.

**Municipal Code, Title 2, Article III, Incorporated.** The provisions of "Title 2, Article III of the Thorne Bay Municipal Code shall apply to the terms of this Rental Agreement unless otherwise amended in this Rental Agreement.

2. **Term.** The term of this Rental Agreement shall be Two (2) year(s) beginning October 1, 2015 and ending September 30, 2017. Monthly rental payments due the City shall commence prior to use of Rented Premises and continue throughout the term of this Rental Agreement. Monthly Sales Taxes due the City shall commence upon the signing of Rental Agreement. Renter shall have the option to renew this Rent for an additional period of time subject to renegotiations of Rent terms and payments acceptable to both the City and Renter. The option to renew and Rent for the additional period can only be effective upon approval by the Thorne Bay City Council. This option to renew shall be exercised by the Renter in writing sixty (60) days prior to the expiration of the original Rent term. The option to renew is specifically waived if not exercised in full compliance with this provision.

This Rental Agreement expires automatically on the last day of the Two (2) year period absent the approval of a new Rental Agreement by the Thorne Bay City Council. Absent an approved Rental Agreement the Renter shall vacate the premise on or before the ending date of this Rental Agreement.

In addition to any rights of the City to terminate this Rental Agreement as specified in this Rental Agreement, or as specified in the Thorne Bay Municipal Code, the City shall have all rights to terminate this Rental Agreement in accordance with any provision of applicable law.

3. **Monthly Rent Payment.** Renter covenants and agrees to pay City monthly Rent payments in the sum of One Hundred Fifty Dollars (\$150) plus applicable sales tax payable in advance on the first day of each month of the Rent term. In the event any payment required to be made pursuant to this Rental Agreement is more than ten (10) days past due, a late charge equal to ten percent (10%) per annum on such past due amount will be assessed and charged to Renter by City. At the expiration of two year term the monthly Rent payment shall be reviewed and adjusted in accordance with the provisions of Section 2.56.210 of Title 2, Article III of the Thorne Bay Municipal Code.

# RENTAL AGREEMENT

4. **Deposits.** Renter shall deposit with the City an amount equal to One months rent. Upon termination of the Rental Agreement the Renter shall vacate the premise leaving it in the same clean condition as presented at the time said Rental Agreement was initiated. If the premise is in need of cleaning, repairs or the Renter is in default in payments said deposit shall be used to offset such costs. In the event the Rented Premise is clean and in need of no repairs the deposit will be refunded in full. First and last month may be waived in lieu of improvements to the Rented Premises or other City Facilities as provided by Renter per "Exhibit A".
5. **Use.** Renter shall use the Rented Premises for the purpose of maintaining and operating there on, Firewood Placement of a modular building to be used for housing City of Thorne Bay or Thorne Bay School Employees or City Volunteers. The Rented Premises shall be used for no other purposes without the prior written consent of City.
6. **Utilities and Fees.** Renter shall be responsible for all utility accounts and applicable deposits for said accounts. Renter agrees to pay, and keep current, All charges, including deposits, for all utilities, including but not limited to water, sewer, refuse collection, electricity, propane, fuel oil and telephone. Failure to do so will result in the utility being shutoff. Activation of a city shutoff shall constitute a material breach of the Rent Agreement resulting in the City's termination of the Rent Agreement. Absent an approved Rental Agreement the Renter shall vacate the premise immediately.
7. **Repairs, Maintenance and Compliance with Laws.** Renter shall maintain the Rented Premises at Renter's sole cost and expense and at all times keep the Rented Premises neat, clean and in a sanitary condition. Renter shall keep and use the Rented Premises in accordance with applicable laws, ordinances, rules, regulations and requirements of all governmental authorities. Renter shall permit no waste, damage or injury to the Rented Premises. Renter's use of the Rented Premises in violation of any law or regulation of any governmental entity related to public health or safety or environmental pollution shall be a material breach of the Rental Agreement and grounds for City's termination of the Rental Agreement. Renter is required to obtain building permit authorization from the City for construction of any and all structures placed on or in the Rented Premises.
8. **Signs, Alterations and Improvements.** All signs or symbols placed on or about the Rented Premises shall be subject to City's prior written approval. After prior written consent of City, Renter may make alterations and improvements to the Rented Premises, at Renter's sole cost and expense. City may elect to require Renter to remove any such alterations and improvements upon termination of this Rental Agreement at Renter's sole cost and expense. Any of Renter's improvements remaining on the Rented Premises longer than thirty (30) days after Renter's possessors rights to the Rented Premises have expired shall become Rented Premises of City.

# RENTAL AGREEMENT

9. **Insolvency.** In the event Renter becomes insolvent, bankrupt or if a receiver, assignee or other liquidating officer is appointed for the business of Renter, City, in City's sole discretion may immediately terminate this Rental Agreement and require that Renter vacate the Rental Premises.
10. **Subletting or Assignment.** Renter shall not sublet the whole or any part of the Rented Premises nor assign this Rental Agreement without the prior written consent of City. This Rental Agreement shall not be assignable by operation of law. All terms and conditions of the Rental Agreement shall be binding upon any sub Renter or assignee of this Rental Agreement and Renter shall remain fully responsible to City for performance of this Rental Agreement.
11. **Permits and Compliance with Law.** Renter shall obtain all necessary local, state and federal permits necessary for the operation of Renter's business and shall comply with all local, state and federal laws, rules and regulations.

Failure to comply with any requirements of this section shall constitute a material breach of the Rental Agreement. Failure to remedy the violation within 30 days will result in the City's termination of the Rental Agreement. Absent an approved Rental Agreement the Renter shall vacate the premise immediately.

12. **Insurance. General Liability Insurance.** The Renter shall procure and maintain during the life of this agreement, General Liability Insurance on an "occurrence basis" with limits of liability not less than \$1,000,000 per occurrence and /or aggregate combined single limit, personal injury, bodily injury and property damage.
- Proof of Insurance shall be provided to City within thirty (30) days after the parties have executed this agreement and prior to public use of said premises. City shall be notified at least thirty (30) days before the cancellation or termination of any policy.
- City shall be named as additional insured.
13. **Accidents and Liability.** City or its agent shall not be liable for any injury or damage to the persons or property sustained by Renter or others, in and about the Rented Premises.
14. **Indemnification and Waiver of Subrogation.** To the fullest extent permitted by law, the Renter agrees to defend, indemnify and hold harmless the City, its elected and appointed officials, employees and volunteers against any and all liabilities, claims, demands, lawsuits, or losses, including costs and attorney fees incurred in defense thereof, arising out of or in any way connected or associated with this agreement. To the extent permitted by law, the Renter hereby re-Rents the City, its elected and appointed officials, employees and volunteers from any and all liability or responsibility

# RENTAL AGREEMENT

to the Renter or anyone claiming through or under the Renter by way of subrogation or otherwise, for any loss or damage to the property caused by fire or any other casualty, even if such fire or other casualty shall have been caused by the fault or negligence of the City, its elected or appointed officials, employees or volunteers. This provision shall be applicable and in full force and effect only with respect to loss or damage occurring during the time of the Renter's occupancy or use.

Renter understands that the City accepts no responsibility whatsoever for loss of, or damage to Renter's property.

- 15. Removal of Renter's Property and Repair of Rented Property.** All buildings, fixtures and equipment of whatsoever nature, that Renter shall have acquired and installed upon Rented premises, whether permanently affixed or otherwise, shall continue to be the property of the Renter and must be removed by the Renter at the expiration or termination of this Rental Agreement and at its own expense. Renter shall repair any injury to Rented Premises resulting from such removal. Renter shall remove all buildings, fixtures, and equipment, and make all repairs, within thirty days of the date the Renter vacates Rented Premises. If the Renter fails to remove its buildings, fixtures, and equipment, and fails to make the necessary repairs, the City may do so, and seek reimbursement from the Renter for the full amount of the repairs, without any deduction for the value of any buildings, fixtures, or equipment left on the premises by the Renter. If City determines that it is in City's best interest to acquire the improvements, it may negotiate to purchase Renter's buildings, fixtures, and equipment at a price equal to or less than fair market value.
- 16. Taxes.** Renter shall be solely and fully responsible for the payment of all applicable federal, state, and Thome Bay municipal taxes, including all Monthly Sales Taxes due the City.
- 17. Liens.** Renter shall maintain Rented Premises free of any and all liens. Renter will not permit any mechanics', laborers' or materialmen's liens to stand against the Rented Property or improvements for any labor or materials furnished to Renter or claimed to have been furnished to Renter, or to Renter's agents, contractors, or sub-Renters, in connection with work of any character performed or claimed to have been performed on Rented premises or improvements by or at the direction or sufferance of Renter; provided, however, Renter shall have the right to contest the validity or amount of any such lien or claimed lien. In the event of such contest, Renter shall give to the City such reasonable security as may be demanded by the City to insure payment of such lien or such claim of lien. Renter will immediately pay any judgment rendered with all proper costs and charges and shall have such lien re-Rented or judgment satisfied at Renter's own expense. Renter agrees to indemnify, hold harmless and to defend the City and Rented premises from such liens. Renter consents to the City's recording of and posting of a statutory notice of non-responsibility in accordance with Alaska Statute 34.35.065

# RENTAL AGREEMENT

**18. Default by Renter.** Each of the following shall be deemed a default by the Renter and a breach of the Rental Agreement:

- (a) A failure to make payment of any installment, of rent or of any other sum herein specified to be paid by Renter, and Renter fails to cure such default within ten (10) days after receipt of a written notice has been received by Renter specifying such failure to make payment;
- (b) Upon shut off of utilities;
- (c) A default in the performance of any other covenant or condition on the part of the Renter to be performed for a period of thirty (30) days after receipt by Renter of a notice specifying the particular default or defaults;
- (d) The filing of a petition by or against Renter for adjudication as a bankrupt, or for reorganization or arrangement within the meaning of the Bankruptcy Act;
- (e) The dissolution or the commencement of any action or proceeding for the dissolution or liquidation of the Renter or for the appointment of a receiver or trustee of Rented Premises of the Renter;
- (f) The taking possession of Rented Premises of the Renter by any governmental officer of agency pursuant to statutory authority for the dissolution or liquidation of the Renter;
- (g) The making by the Renter of an assignment for the benefit of creditors;
- (h) Renter vacates or abandons the Rented Premises; and
- (i) A failure that continues for five (5) days or more to have the City named as an additional insured as required under paragraph 18, and Renter fails to cure such default within ten (10) days after receipt of a written notice has been received by Renter specifying such failure to name the City as an additional insured.

The specification of events constituting default by the Renter in this Section, are in addition to any defaults specified in the Thorne Bay Municipal Code.

**19. City's Remedies for Default.** In the event of any default of the Renter, the City shall have the following rights and remedies – all in addition to any rights or remedies that may be given to the City by statute, common law, or under Thorne Bay Municipal Code.

- (a) Distraint for rent due and subsequent sale of chattels so distrained. The sale of any such chattels shall be in accordance with the procedure set forth in Alaska Statutes.
- (b) Re-enter Rented Premises and take possession thereof, remove all persons therefrom, and remove Renter's property therefrom and store it in a public warehouse or elsewhere at the cost of Renter, all without service of notice or resort to legal process (all of which Renter expressly waives) and without becoming liable for trespass, forcible entry, detainer, or other tort or for any loss or damage which may be occasioned thereby;
- (c) Declare the Term ended;

# RENTAL AGREEMENT

- (d) Re-let Rented premises in whole or in part for any period equal to or greater, or less, than the remainder of the Term for any sum which is commercially reasonable;
  - (e) Cure any such default, if possible, and demand immediate payment until all costs incurred in curing the default have been reimbursed fully, together with interest calculated at the rate of ten percent (10%) per annum at the then current prime rate as established by the First Bank of Alaska;
  - (f) Collect all reasonable damages, costs and expenses that the City may incur by reason of default by Renter, together with interest calculated at the rate of ten percent (10%) per annum at the then current prime rate as established by the First Bank of Alaska.
  - (g) The City shall use reasonable diligence to relet Rented Premises in or to mitigate the City's damages, consistent with the uses of Rented Premises, and all applicable Thorne Bay code provisions related to this Rent and Rented Premises.
20. **Rights and Remedies.** Except insofar as this is inconsistent with or contrary to any provision of this Rent, no right or remedy herein conferred upon or reserved to the City or Renter is intended to be exclusive of any other right or remedy, and each and every right and remedy shall be cumulative and in addition to any other right or remedy given hereunder, or now or hereafter existing at law or in equity or by statute.
21. **Waiver.** Except to the extent that a party may have otherwise agreed in writing, no waiver by a party of any breach by the other party of any of its obligations, agreements or covenants hereunder shall be deemed to be a waiver of any subsequent breach of the same or any other covenant, agreement or obligation. Nor shall any forbearance by a party to seek a remedy for any breach of the other party be deemed a waiver of its rights or remedies with respect to such breach.
22. **Changes.** No modifications, amendments, deletions, additions or alterations of the Rent Agreement shall be effective unless in writing and signed by all of the parties hereto and such representatives of the parties as have been duly authorized to make such changes.
23. **Joint Product.** The language set out in this Rental Agreement represents the joint product of the parties and shall not be construed against one party in favor of the other. Each party hereto has had the option of seeking the advice of legal counsel in the drafting of this Rental Agreement, and the rule of construction favoring construction against the drafter shall not apply. Renter acknowledges and agrees that Renter has not received any legal advice from the City's attorney or from anyone associated with the City.
24. **Authority.** The parties and their undersigned representatives warrant that they have full authority to enter into this Rental Agreement and to execute this Rental Agreement.
25. **Hazardous Materials.** The Renter shall not permit, store, manufacture or dispose on Rented Premises any hazardous material or controlled substance as determined by

# RENTAL AGREEMENT

federal, state, or municipal statutes or laws now or at any time hereafter in effect, including but not limited to , the Comprehensive Environmental Response, Compensation and liability Act (42 U.S.C. 9601 et seq.), the Hazardous materials Transportation Act (42 U.S.C. 1801 et seq.), the Resource Conservation and Recovery Act (42 U.S.C. 6901 et seq.), the Federal Water Pollution Control Act (33 U.S.C. 1251 et seq.), the Clean Air Act (42 U.S.C.7401 et seq.), the Toxic Substance Control Act, as amended (15 U.S.C. 2601 et seq.), and the Occupational Safety and Health Act (29 U.S.C. 651et seq.), and Title 46 of the Alaska Statutes as these laws have been and may hereafter be amended or supplemented. "Hazardous Substance" means any pollutant, contaminant, toxic substance, flammable, explosive, radioactive material, urea formaldehyde foam insulation, asbestos, PCB's or any other substance the removal of which is required, or the manufacture, preparation production, generation, use maintenance, treatment, storage, transfer, handling or ownership of which is restricted , prohibited, regulated or penalized by any and all federal, state, or municipal statutes or laws now or at any time hereafter in effect. Hazardous material shall not include cleaning supplies used in the routine daily cleaning and operation of a restaurant.

26. **Acceptance of the Rented Property by Renter.** Renter acknowledges that it has thoroughly examined Rented Premises. Renter accepts Rented Premises in their "AS IS" condition, and the City shall not be required to perform any work to prepare Rented Premises for the Renter. Renter's taking possession of Rented Premises shall be conclusive evidence against it that, at the time possession was taken, Rented Premises were in good and satisfactory condition. Renter acknowledges that, except for those representations and statements regarding the condition of Rented Premises expressly stated herein, Renter has not relied upon any representations or statements of the City or its representatives or agents regarding the condition of Rented premises or their suitability for Renter's uses under this Rent.

1. **Attorneys' Fees and Costs.** Should any dispute and/or legal action arise by reason of any default or breach on the part of Renter in the performance of any of the provisions of the Rental Agreement, Renter agrees to pay all reasonable attorneys' fees and costs incurred by City in connection therewith including City's attorneys' fees and costs incurred on appeal. It is agreed that the venue of any legal action brought under the terms of this Rental Agreement will be the First Judicial District, at Ketchikan, Alaska. Renter specifically agrees that venue for trial in any action related to this Rent shall be in Craig, Alaska.

2. **No Waiver of Covenants.** Any waiver by either party of any breach hereof by the other shall not be considered a waiver of any future or similar breach. This Rental Agreement contains all the agreements between the parties, and there shall be no modification of the agreements contained herein except by written instrument signed by both parties.

# RENTAL AGREEMENT

3. **Surrender of Rented Premises.** Upon termination of this Rental Agreement, Renter agrees to peacefully quit and surrender the Rented premises without notice, remove all of Renter's personal property and leave the Rented premises neat and clean. If City elects to require Renter to remove any alterations or improvements made by Renter, then Renter shall restore the Rented Premises to their previous condition, at Renter's sole expense.
4. **Binding on Heirs, Successors and Assigns.** The covenants and agreements of this Rental Agreement shall be binding upon the heirs, executors, administrators, successors and assigns of both parties thereto, except as hereinabove provided, and as allowable by law.
5. **Notice.** Any notice required to be given by either party to the other shall be deposited in the United States mail, postage prepaid, addressed to City at P.O. Box 19110, Thorne Bay, Alaska 99919, or the Renter at, PO Box 19403, Thorne Bay, AK 99919, or at such other address as either party may designate in writing to the other.
6. **City's Right of Entry.** The City shall have the right to enter Rented premises at all reasonable times to examine the condition of same.

**IN WITNESS WHEREOF,** The parties hereto have executed this Rental Agreement as of the date first set above written.

CITY:  
THE CITY OF THORNE BAY

RENTER:

By \_\_\_\_\_  
James Gould, Mayor "City"

By \_\_\_\_\_  
Nick Gefre "Renter"

ATTEST:

\_\_\_\_\_  
Teri Feibel, City Clerk

# RENTAL AGREEMENT

This Rental Agreement is entered into by and between the City of Thorne Bay, Alaska, P.O. Box 110, Thorne Bay, Alaska 99919 (hereinafter called the "CITY" and, Papac Alaska Logging, Inc., (hereinafter called the "RENTER").

1. **Rented Premises.** The City does hereby Rent to the Renter one (1) acre plus or minus of land at the Sort Yard on municipally owned property within the corporate boundaries of the City of Thorne Bay.

**Municipal Code, Title 2, Article III, Incorporated.** The provisions of "Title 2, Article III of the Thorne Bay Municipal Code shall apply to the terms of this Rental Agreement unless otherwise amended in this Rental Agreement.

2. **Term.** The term of this Rental Agreement shall be Two (2) year(s) beginning October 1, 2015 and ending September 30, 2017. Monthly rental payments due the City shall commence prior to use of Rented Premises and continue throughout the term of this Rental Agreement. Monthly Sales Taxes due the City shall commence upon the signing of Rental Agreement. Renter shall have the option to renew this Rent for an additional period of time subject to renegotiations of Rent terms and payments acceptable to both the City and Renter. The option to renew and Rent for the additional period can only be effective upon approval by the Thorne Bay City Council. This option to renew shall be exercised by the Renter in writing sixty (60) days prior to the expiration of the original Rent term. The option to renew is specifically waived if not exercised in full compliance with this provision.

This Rental Agreement expires automatically on the last day of the Two (2) year period absent the approval of a new Rental Agreement by the Thorne Bay City Council. Absent an approved Rental Agreement the Renter shall vacate the premise on or before the ending date of this Rental Agreement.

In addition to any rights of the City to terminate this Rental Agreement as specified in this Rental Agreement, or as specified in the Thorne Bay Municipal Code, the City shall have all rights to terminate this Rental Agreement in accordance with any provision of applicable law.

3. **Monthly Rent Payment.** Renter covenants and agrees to pay City monthly Rent payments in the sum of One Hundred Fifty Dollars (\$150) plus applicable sales tax payable in advance on the first day of each month of the Rent term. In the event any payment required to be made pursuant to this Rental Agreement is more than ten (10) days past due, a late charge equal to ten percent (10%) per annum on such past due amount will be assessed and charged to Renter by City. At the expiration of two year term the monthly Rent payment shall be reviewed and adjusted in accordance with the provisions of Section 2.56.210 of Title 2, Article III of the Thorne Bay Municipal Code.

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4. **Deposits.** Renter shall deposit with the City an amount equal to N/A. Upon termination of the Rental Agreement the Renter shall vacate the premise leaving it in the same clean condition as presented at the time said Rental Agreement was initiated. If the premise is in need of cleaning, repairs or the Renter is in default in payments said deposit shall be used to offset such costs. In the event the Rented Premise is clean and in need of no repairs the deposit will be refunded in full. First and last month may be waived in lieu of improvements to the Rented Premises or other City Facilities as provided by Renter per "Exhibit A".
5. **Use.** Renter shall use the Rented Premises for the purposes of maintaining and operating there on, Storing and working on heavy equipment used for logging and road building. The Rented Premises shall be used for no other purposes without the prior written consent of City.
6. **Utilities and Fees.** Renter shall be responsible for all utility accounts and applicable deposits for said accounts. Renter agrees to pay, and keep current, All charges, including deposits, for all utilities including but not limited to water, sewer, refuse collection, electricity, propane, fuel oil and telephone. Failure to do so will result in the utility being shutoff. Activation of a city shutoff shall constitute a material breach of the Rent Agreement resulting in the City's termination of the Rent Agreement. Absent an approved Rental Agreement the Renter shall vacate the premise immediately.
7. **Repairs, Maintenance and Compliance with Laws.** Renter shall maintain the Rented Premises at Renter's sole cost and expense and at all times keep the Rented Premises neat, clean and in a sanitary condition. Renter shall keep and use the Rented Premises in accordance with applicable laws, ordinances, rules, regulations and requirements of all governmental authorities. Renter shall permit no waste, damage or injury to the Rented Premises. Renter's use of the Rented Premises in violation of any law or regulation of any governmental entity related to public health or safety or environmental pollution shall be a material breach of the Rental Agreement and grounds for City's termination of the Rental Agreement. Renter is required to obtain building permit authorization from the City for construction of any and all structures placed on or in the Rented Premises.
8. **Signs, Alterations and Improvements.** All signs or symbols placed on or about the Rented Premises shall be subject to City's prior written approval. After prior written consent of City, Renter may make alterations and improvements to the Rented Premises, at Renter's sole cost and expense. City may elect to require Renter to remove any such alterations and improvements upon termination of this Rental Agreement at Renter's sole cost and expense. Any of Renter's improvements remaining on the Rented Premises longer than thirty (30) days after Renter's possessors rights to the Rented Premises have expired shall become Rented Premises of City.

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9. **Insolvency.** In the event Renter becomes insolvent, bankrupt or if a receiver, assignee or other liquidating officer is appointed for the business of Renter, City, in City's sole discretion may immediately terminate this Rental Agreement and require that Renter vacate the Rental Premises.
10. **Subletting or Assignment.** Renter shall not sublet the whole or any part of the Rented Premises nor assign this Rental Agreement without the prior written consent of City. This Rental Agreement shall not be assignable by operation of law. All terms and conditions of the Rental Agreement shall be binding upon any sub Renter or assignee of this Rental Agreement and Renter shall remain fully responsible to City for performance of this Rental Agreement.
11. **Permits and Compliance with Law.** Renter shall obtain all necessary local, state and federal permits necessary for the operation of Renter's business and shall comply with all local, state and federal laws, rules and regulations.

Failure to comply with any requirements of this section shall constitute a material breach of the Rental Agreement. Failure to remedy the violation within 30 days will result in the City's termination of the Rental Agreement. Absent an approved Rental Agreement the Renter shall vacate the premise immediately.

12. **Insurance.** General Liability Insurance: The Renter shall procure and maintain during the life of this agreement, General Liability Insurance on an "occurrence basis" with limits of liability not less than \$1,000,000 per occurrence and /or aggregate combined single limit, personal injury, bodily injury and property damage.

Proof of Insurance shall be provided to City within thirty (30) days after the parties have executed this agreement and prior to public use of said premises. City shall be notified at least thirty (30) days before the cancellation or termination of any policy.

City shall be named as additional insured.

13. **Accidents and Liability.** City or its agent shall not be liable for any injury or damage to the persons or property sustained by Renter or others, in and about the Rented Premises.
14. **Indemnification and Waiver of Subrogation.** To the fullest extent permitted by law, the Renter agrees to defend, indemnify and hold harmless the City, its elected and appointed officials, employees and volunteers against any and all liabilities, claims, demands, lawsuits, or losses, including costs and attorney fees incurred in defense thereof, arising out of or in any way connected or associated with this agreement. To the extent permitted by law, the Renter hereby re-Rents the City, its elected and appointed officials, employees and volunteers from any and all liability or responsibility

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to the Renter or anyone claiming through or under the Renter by way of subrogation or otherwise, for any loss or damage to the property caused by fire or any other casualty, even if such fire or other casualty shall have been caused by the fault or negligence of the City, its elected or appointed officials, employees or volunteers. This provision shall be applicable and in full force and effect only with respect to loss or damage occurring during the time of the Renter's occupancy or use.

Renter understands that the City accepts no responsibility whatsoever for loss of, or damage to Renter's property.

15. **Removal of Renter's Property and Repair of Rented Property.** All buildings, fixtures and equipment of whatsoever nature, that Renter shall have acquired and installed upon Rented premises, whether permanently affixed or otherwise, shall continue to be the property of the Renter and must be removed by the Renter at the expiration or termination of this Rental Agreement and at its own expense. Renter shall repair any injury to Rented Premises resulting from such removal. Renter shall remove all buildings, fixtures, and equipment, and make all repairs, within thirty days of the date the Renter vacates Rented Premises. If the Renter fails to remove its buildings, fixtures, and equipment, and fails to make the necessary repairs, the City may do so, and seek reimbursement from the Renter for the full amount of the repairs, without any deduction for the value of any buildings, fixtures, or equipment left on the premises by the Renter. If City determines that it is in City's best interest to acquire the improvements, it may negotiate to purchase Renter's buildings, fixtures, and equipment at a price equal to or less than fair market value.
16. **Taxes.** Renter shall be solely and fully responsible for the payment of all applicable federal, state, and Thorne Bay municipal taxes, including all Monthly Sales Taxes due the City.
17. **Liens.** Renter shall maintain Rented Premises free of any and all liens. Renter will not permit any mechanics', laborers' or materialmen's liens to stand against the Rented Property or improvements for any labor or materials furnished to Renter or claimed to have been furnished to Renter, or to Renter's agents, contractors, or sub-Renters, in connection with work of any character performed or claimed to have been performed on Rented premises or improvements by or at the direction or sufferance of Renter; provided, however, Renter shall have the right to contest the validity or amount of any such lien or claimed lien, In the event of such contest, Renter shall give to the City such reasonable security as may be demanded by the City to insure payment of such lien or such claim of lien. Renter will immediately pay any judgment rendered with all proper costs and charges and shall have such lien re-Rented or judgment satisfied at Renter's own expense. Renter agrees to indemnify, hold harmless and to defend the City and Rented premises from such liens. Renter consents to the City's recording of and posting of a statutory notice of non-responsibility in accordance with Alaska Statute 34.35.065

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18. **Default by Renter.** Each of the following shall be deemed a default by the Renter and a breach of the Rental Agreement:

- (a) A failure to make payment of any installment, of rent or of any other sum herein specified to be paid by Renter, and Renter fails to cure such default within ten (10) days after receipt of a written notice has been received by Renter specifying such failure to make payment;
- (b) Upon shut off of utilities;
- (c) A default in the performance of any other covenant or condition on the part of the Renter to be performed for a period of thirty (30) days after receipt by Renter of a notice specifying the particular default or defaults;
- (d) The filing of a petition by or against Renter for adjudication as a bankrupt, or for reorganization or arrangement within the meaning of the Bankruptcy Act;
- (e) The dissolution or the commencement of any action or proceeding for the dissolution or liquidation of the Renter or for the appointment of a receiver or trustee of Rented Premises of the Renter;
- (f) The taking possession of Rented Premises of the Renter by any governmental officer of agency pursuant to statutory authority for the dissolution or liquidation of the Renter;
- (g) The making by the Renter of an assignment for the benefit of creditors;
- (h) Renter vacates or abandons the Rented Premises; and
- (i) A failure that continues for five (5) days or more to have the City named as an additional insured as required under paragraph 18, and Renter fails to cure such default within ten (10) days after receipt of a written notice has been received by Renter specifying such failure to name the City as an additional insured.

The specification of events constituting default by the Renter in this Section, are in addition to any defaults specified in the Thorne Bay Municipal Code.

19. **City's Remedies for Default.** In the event of any default of the Renter, the City shall have the following rights and remedies – all in addition to any rights or remedies that may be given to the City by statute, common law, or under Thorne Bay Municipal Code.

- (a) Distraint for rent due and subsequent sale of chattels so distrained. The sale of any such chattels shall be in accordance with the procedure set forth in Alaska Statutes.
- (b) Re-enter Rented Premises and take possession thereof, remove all persons therefrom, and remove Renter's property therefrom and store it in a public warehouse or elsewhere at the cost of Renter, all without service of notice or resort to legal process (all of which Renter expressly waives) and without becoming liable for trespass, forcible entry, detainer, or other tort or for any loss or damage which may be occasioned thereby;
- (c) Declare the Term ended;

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- (d) Re-let Rented premises in whole or in part for any period equal to or greater, or less, than the remainder of the Term for any sum which is commercially reasonable;
  - (e) Cure any such default, if possible, and demand immediate payment until all costs incurred in curing the default have been reimbursed fully, together with interest calculated at the rate of ten percent (10%) per annum at the then current prime rate as established by the First Bank of Alaska;
  - (f) Collect all reasonable damages, costs and expenses that the City may incur by reason of default by Renter, together with interest calculated at the rate of ten percent (10%) per annum at the then current prime rate as established by the First Bank of Alaska.
  - (g) The City shall use reasonable diligence to relet Rented Premises in or to mitigate the City's damages, consistent with the uses of Rented Premises, and all applicable Thorne Bay code provisions related to this Rent and Rented Premises.
20. **Rights and Remedies.** Except insofar as this is inconsistent with or contrary to any provision of this Rent, no right or remedy herein conferred upon or reserved to the City or Renter is intended to be exclusive of any other right or remedy, and each and every right and remedy shall be cumulative and in addition to any other right or remedy given hereunder, or now or hereafter existing at law or in equity or by statute.
21. **Waiver.** Except to the extent that a party may have otherwise agreed in writing, no waiver by a party of any breach by the other party of any of its obligations, agreements or covenants hereunder shall be deemed to be a waiver of any subsequent breach of the same or any other covenant, agreement or obligation. Nor shall any forbearance by a party to seek a remedy for any breach of the other party be deemed a waiver of its rights or remedies with respect to such breach.
22. **Changes.** No modifications, amendments, deletions, additions or alterations of the Rent Agreement shall be effective unless in writing and signed by all of the parties hereto and such representatives of the parties as have been duly authorized to make such changes.
23. **Joint Product.** The language set out in this Rental Agreement represents the joint product of the parties and shall not be construed against one party in favor of the other. Each party hereto has had the option of seeking the advice of legal counsel in the drafting of this Rental Agreement, and the rule of construction favoring construction against the drafter shall not apply. Renter acknowledges and agrees that Renter has not received any legal advice from the City's attorney or from anyone associated with the City.
24. **Authority.** The parties and their undersigned representatives warrant that they have full authority to enter into this Rental Agreement and to execute this Rental Agreement.
25. **Hazardous Materials.** The Renter shall not permit, store, manufacture or dispose on Rented Premises any hazardous material or controlled substance as determined by

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federal, state, or municipal statutes or laws now or at any time hereafter in effect, including but not limited to , the Comprehensive Environmental Response, Compensation and liability Act (42 U.S.C. 9601 et seq.), the Hazardous materials Transportation Act (42 U.S.C. 1801 et seq.), the Resource Conservation and Recovery Act (42 U.S.C. 6901 et seq.), the Federal Water Pollution Control Act (33 U.S.C. 1251 et seq.), the Clean Air Act (42 U.S.C.7401 et seq.), the Toxic Substance Control Act, as amended (15 U.S.C. 2601 et seq.), and the Occupational Safety and Health Act (29 U.S.C. 651et seq.), and Title 46 of the Alaska Statutes as these laws have been and may hereafter be amended or supplemented. "Hazardous Substance" means any pollutant, contaminant, toxic substance, flammable, explosive, radioactive material, urea formaldehyde foam insulation, asbestos, PCB's or any other substance the removal of which is required, or the manufacture, preparation production, generation use maintenance, treatment, storage, transfer, handling or ownership of which is restricted , prohibited, regulated or penalized by any and all federal, state, or municipal statutes or laws now or at any time hereafter in effect. Hazardous material shall not include cleaning supplies used in the routine daily cleaning and operation of a restaurant.

26. **Acceptance of the Rented Property by Renter.** Renter acknowledges that it has thoroughly examined Rented Premises. Renter accepts Rented Premises in their "AS IS" condition, and the City shall not be required to perform any work to prepare Rented Premises for the Renter. Renter's taking possession of Rented Premises shall be conclusive evidence against it that, at the time possession was taken, Rented Premises were in good and satisfactory condition. Renter acknowledges that, except for those representations and statements regarding the condition of Rented Premises expressly stated herein, Renter has not relied upon any representations or statements of the City or its representatives or agents regarding the condition of Rented premises or their suitability for Renter's uses under this Rent.

1. **Attorneys' Fees and Costs.** Should any dispute and/or legal action arise by reason of any default or breach on the part of Renter in the performance of any of the provisions of the Rental Agreement, Renter agrees to pay all reasonable attorneys' fees and costs incurred by City in connection therewith including City's attorneys' fees and costs incurred on appeal. It is agreed that the venue of any legal action brought under the terms of this Rental Agreement will be the First Judicial District, at Ketchikan, Alaska. Renter specifically agrees that venue for trial in any action related to this Rent shall be in Craig, Alaska.

2. **No Waiver of Covenants.** Any waiver by either party of any breach hereof by the other shall not be considered a waiver of any future or similar breach. This Rental Agreement contains all the agreements between the parties, and there shall be no modification of the agreements contained herein except by written instrument signed by both parties.

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3. **Surrender of Rented Premises.** Upon termination of this Rental Agreement, Renter agrees to peacefully quit and surrender the Rented premises without notice, remove all of Renter's personal property and leave the Rented premises neat and clean. If City elects to require Renter to remove any alterations or improvements made by Renter, then Renter shall restore the Rented Premises to their previous condition, at Renter's sole expense.
4. **Binding on Heirs, Successors and Assigns.** The covenants and agreements of this Rental Agreement shall be binding upon the heirs, executors, administrators, successors and assigns of both parties thereto, except as hereinabove provided, and as allowable by law.
5. **Notice.** Any notice required to be given by either party to the other shall be deposited in the United States mail, postage prepaid, addressed to City at P.O. Box 19110, Thorne Bay, Alaska 99919, or the Renter at, PO Box 19403, Thorne Bay, AK 99919, or at such other address as either party may designate in writing to the other.
6. **City's Right of Entry.** The City shall have the right to enter Rented premises at all reasonable times to examine the condition of same.

**IN WITNESS WHEREOF,** The parties hereto have executed this Rental Agreement as of the date first set above written.

CITY:

THE CITY OF THORNE BAY

By \_\_\_\_\_  
James Gould, Mayor "City"

RENTER:

By \_\_\_\_\_  
Papac Alaska Logging, Inc. "Renter"

ATTEST:

\_\_\_\_\_  
Teri Feibel, City Clerk

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This Rental Agreement is entered into by and between the City of Thorne Bay, Alaska, P.O. Box 110, Thorne Bay, Alaska 99919 (hereinafter called the "CITY" and, Cindy Edenfield, (hereinafter called the "RENTER").

1. **Rented Premises.** The City does hereby Rent to the Renter Lot 1 and Trailer with Addition in City RV Park on municipally owned property within the corporate boundaries of the City of Thorne Bay.

**Municipal Code, Title 2, Article III, Incorporated.** The provisions of "Title 2, Article III of the Thorne Bay Municipal Code shall apply to the terms of this Rental Agreement unless otherwise amended in this Rental Agreement.

2. **Term.** The term of this Rental Agreement shall be Two (2) year(s) beginning Oct 1, 2015 and ending September 30, 2017. Monthly rental payments due the City shall commence prior to use of Rented Premises and continue throughout the term of this Rental Agreement. Monthly Sales Taxes due the City shall commence upon the signing of Rental Agreement. Renter shall have the option to renew this Rent for an additional period of time subject to renegotiations of Rent terms and payments acceptable to both the City and Renter. The option to renew and Rent for the additional period can only be effective upon approval by the Thorne Bay City Council. This option to renew shall be exercised by the Renter in writing sixty (60) days prior to the expiration of the original Rent term. The option to renew is specifically waived if not exercised in full compliance with this provision.

This Rental Agreement expires automatically on the last day of the Two (2) year period absent the approval of a new Rental Agreement by the Thorne Bay City Council. Absent an approved Rental Agreement the Renter shall vacate the premise on or before the ending date of this Rental Agreement.

In addition to any rights of the City to terminate this Rental Agreement as specified in this Rental Agreement, or as specified in the Thorne Bay Municipal Code, the City shall have all rights to terminate this Rental Agreement in accordance with any provision of applicable law.

3. **Monthly Rent Payment.** Renter covenants and agrees to pay City monthly Rent payments in the sum of \$250 for rental of Lot 1 and Trailer with Addition, plus water, sewer and solid waste monthly fees, plus applicable sales tax payable in advance on the first day of each month of the Rent term. In the event any payment required to be made pursuant to this Rental Agreement is more than ten (10) days past due, a late charge equal to ten percent (10%) per annum on such past due amount will be assessed and charged to Renter by City. At the expiration of two year term the monthly Rent

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payment shall be reviewed and adjusted in accordance with the provisions of Section 2.56.210 of Title 2, Article III of the Thorne Bay Municipal Code.

4. **Deposits.** Renter shall deposit with the City an amount equal to N/A. Upon termination of the Rental Agreement the Renter shall vacate the premise leaving it in the same clean condition as presented at the time said Rental Agreement was initiated. If the premise is in need of cleaning, repairs or the Renter is in default in payments said deposit shall be used to offset such costs. In the event the Rented Premise is clean and in need of no repairs the deposit will be refunded in full. First and last month may be waved in lieu of improvements to the Rented Premises or other City Facilities as provided by Renter per "Exhibit A".
5. **Use.** Renter shall use the Rented Premises for the purposed of maintaining and operating thereon, single family living facilities as long as the renter is in good standing with and a member of the City Emergency Medical Services program. The Renter shall also assist the City of Thorne Bay with RV Park Management. The Rented Premises shall be used for no other purposes without the prior written consent of City.
6. **Utilities and Fees.** Renter shall be responsible for all utility accounts and applicable deposits for said accounts. Renter agrees to pay, and keep current, ALL charges, including deposits, for all utilities, including but not limited to water, sewer, refuse collection, electricity, propane, fuel oil and telephone. Failure to do so will result in the utility being shutoff. Activation of a city shutoff shall constitute a material breach of the Rent Agreement resulting in the City's termination of the Rent Agreement. Absent an approved Rental Agreement the Renter shall vacate the premise immediately.
7. **Repairs, Maintenance and Compliance with Laws.** Renter shall maintain the Rented Premises at Renter's sole cost and expense and at all times keep the Rented Premises neat, clean and in a sanitary condition. Renter shall keep and use the Rented Premises in accordance with applicable laws, ordinances, rules, regulations and requirements of all governmental authorities. Renter shall permit no waste, damage or injury to the Rented Premises. Renter's use of the Rented Premises in violation of any law or regulation of any governmental entity related to public health or safety or environmental pollution shall be a material breach of the Rental Agreement and grounds for City's termination of the Rental Agreement. Renter is required to obtain building permit authorization from the City for construction of any and all structures placed on or in the Rented Premises.
8. **Signs, Alterations and Improvements.** All signs or symbols placed on or about the Rented Premises shall be subject to City's prior written approval. After prior written consent of City, Renter may make alterations and improvements to the Rented Premises, at Renter's sole cost and expense. City may elect to require Renter to remove any such alterations and improvements upon termination of this Rental Agreement at Renter's sole cost and expense. Any of Renter's improvements remaining on the Rented

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Premises longer than thirty (30) days after Renter's possessors rights to the Rented Premises have expired shall become Rented Premises of City.

9. **Insolvency.** In the event Renter becomes insolvent, bankrupt or if a receiver, assignee or other liquidating officer is appointed for the business of Renter, City, in City's sole discretion may immediately terminate this Rental Agreement and require that Renter vacate the Rental Premises.
10. **Subletting or Assignment.** Renter shall not sublet the whole or any part of the Rented Premises nor assign this Rental Agreement without the prior written consent of City. This Rental Agreement shall not be assignable by operation of law. All terms and conditions of the Rental Agreement shall be binding upon any sub Renter or assignee of this Rental Agreement and Renter shall remain fully responsible to City for performance of this Rental Agreement.
11. **Permits and Compliance with Law.** - Renter shall comply with all local, state and federal laws, rules and regulations.
12. **Insurance.** General Liability Insurance: The City, as part of the City Insurance program, shall procure and maintain during the life of this agreement, General Liability Insurance on an "occurrence basis" with limits of liability not less than \$1,000,000 per occurrence and / or aggregate combined single limit, personal injury, bodily injury and property damage.
13. **Accidents and Liability.** City or its agent shall not be liable for any injury or damage to the persons or property sustained by Renter or others, in and about the Rented Premises.
14. **Indemnification and Waiver of Subrogation.** To the fullest extent permitted by law, the Renter agrees to defend, indemnify and hold harmless the City, its elected and appointed officials, employees and volunteers against any and all liabilities, claims, demands, lawsuits, or losses, including costs and attorney fees incurred in defense thereof, arising out of or in any way connected or associated with this agreement. To the extent permitted by law, the Renter hereby re-Rents the City, its elected and appointed officials, employees and volunteers from any and all liability or responsibility to the Renter or anyone claiming through or under the Renter by way of subrogation or otherwise, for any loss or damage to the property caused by fire or any other casualty, even if such fire or other casualty shall have been caused by the fault or negligence of the City, its elected or appointed officials, employees or volunteers. This provision shall be applicable and in full force and effect only with respect to loss or damage occurring during the time of the Renter's occupancy or use.

Renter understands that the City accepts no responsibility whatsoever for loss of, or damage to Renter's property.

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15. **Removal of Renter's Property and Repair of Rented Property.** All buildings, fixtures and equipment of whatsoever nature, that Renter shall have acquired and installed upon Rented premises, whether permanently affixed or otherwise, shall continue to be the property of the Renter and must be removed by the Renter at the expiration or termination of this Rental Agreement; and at its own expense, Renter shall repair any injury to Rented Premises resulting from such removal. Renter shall remove all buildings, fixtures, and equipment, and make all repairs, within thirty days of the date the Renter vacates Rented Premises. If the Renter fails to remove its buildings, fixtures, and equipment, and fails to make the necessary repairs, the City may do so, and seek reimbursement from the Renter for the full amount of the repairs, without any deduction for the value of any buildings, fixtures, or equipment left on the premises by the Renter. If City determines that it is in City's best interest to acquire the improvements, it may negotiate to purchase Renter's buildings, fixtures, and equipment at a price equal to or less than fair market value.
16. **Taxes.** Renter shall be solely and fully responsible for the payment of all applicable federal, state, and Thorne Bay municipal taxes including all Monthly Sales Taxes due the City.
17. **Liens.** Renter shall maintain Rented Premises free of any and all liens. Renter will not permit any mechanics', laborers' or materialmen's liens to stand against the Rented Property or improvements for any labor or materials furnished to Renter or claimed to have been furnished to Renter, or to Renter's agents, contractors, or sub-Renters, in connection with work of any character performed or claimed to have been performed on Rented premises or improvements by or at the direction or sufferance of Renter; provided, however, Renter shall have the right to contest the validity or amount of any such lien or claimed lien. In the event of such contest, Renter shall give to the City such reasonable security as may be demanded by the City to insure payment of such lien or such claim of lien. Renter will immediately pay any judgment rendered with all proper costs and charges and shall have such lien re-Rented or judgment satisfied at Renter's own expense. Renter agrees to indemnify, hold harmless and to defend the City and Rented premises from such liens. Renter consents to the City's recording of and posting of a statutory notice of non-responsibility in accordance with Alaska Statute 34.35.065
18. **Default by Renter.** Each of the following shall be deemed a default by the Renter and a breach of the Rental Agreement:
- (a) A failure to make payment of any installment, of rent or of any other sum herein specified to be paid by Renter, and Renter fails to cure such default within ten (10) days after receipt of a written notice has been received by Renter specifying such failure to make payment;
  - (b) Upon shut off of utilities;

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- (c) A default in the performance of any other covenant or condition on the part of the Renter to be performed for a period of thirty (30) days after receipt by Renter of a notice specifying the particular default or defaults;
- (d) The filing of a petition by or against Renter for adjudication as a bankrupt, or for reorganization or arrangement within the meaning of the Bankruptcy Act;
- (e) The dissolution or the commencement of any action or proceeding for the dissolution or liquidation of the Renter or for the appointment of a receiver or trustee of Rented Premises of the Renter;
- (f) The taking possession of Rented Premises of the Renter by any governmental officer of agency pursuant to statutory authority for the dissolution or liquidation of the Renter;
- (g) The making by the Renter of an assignment for the benefit of creditors;
- (h) Renter vacates or abandons the Rented Premises; and
- (i) A failure that continues for five (5) days or more to have the City named as an additional insured as required under paragraph 18, and Renter fails to cure such default within ten (10) days after receipt of a written notice has been received by Renter specifying such failure to name the City as an additional insured.

The specification of events constituting default by the Renter in this Section, are in addition to any defaults specified in the Thorne Bay Municipal Code.

19. **City's Remedies for Default.** In the event of any default of the Renter, the City shall have the following rights and remedies – all in addition to any rights or remedies that may be given to the City by statute, common law, or under Thorne Bay Municipal Code.
- (a) Distraint for rent due and subsequent sale of chattels so distrained. The sale of any such chattels shall be in accordance with the procedure set forth in Alaska Statutes.
  - (b) Re-enter Rented Premises and take possession thereof, remove all persons therefrom, and remove Renter's property therefrom and store it in a public warehouse or elsewhere at the cost of Renter, all without service of notice or resort to legal process (all of which Renter expressly waives) and without becoming liable for trespass, forcible entry, detainer, or other tort or for any loss or damage which may be occasioned thereby;
  - (c) Declare the Term ended;
  - (d) Re-let Rented premises in whole or in part for any period equal to or greater, or less, than the remainder of the Term for any sum which is commercially reasonable;
  - (e) Cure any such default, if possible, and demand immediate payment until all costs incurred in curing the default have been reimbursed fully, together with interest calculated at the rate of ten percent (10%) per annum at the then current prime rate as established by the First Bank of Alaska;
  - (f) Collect all reasonable damages, costs and expenses that the City may incur by reason of default by Renter, together with interest calculated at the rate of ten

# RENTAL AGREEMENT

percent (10%) per annum at the then current prime rate as established by the First Bank of Alaska.

- (g) The City shall use reasonable diligence to relet Rented Premises in or to mitigate the City's damages, consistent with the uses of Rented Premises, and all applicable Thorne Bay code provisions related to this Rent and Rented Premises.

20. **Rights and Remedies.** Except insofar as this is inconsistent with or contrary to any provision of this Rent, no right or remedy herein conferred upon reserved to the City or Renter is intended to be exclusive of any other right or remedy, and each and every right and remedy shall be cumulative and in addition to any other right or remedy given hereunder, or now or hereafter existing at law or in equity or by statute.

21. **Waiver.** Except to the extent that a party may have otherwise agreed in writing, no waiver by a party of any breach by the other party of any of its obligations, agreements or covenants hereunder shall be deemed to be a waiver of any subsequent breach of the same or any other covenant, agreement or obligation. Nor shall any forbearance by a party to seek a remedy for any breach of the other party be deemed a waiver of its rights or remedies with respect to such breach.

22. **Changes.** No modifications, amendments, deletions, additions or alterations of the Rent Agreement shall be effective unless in writing and signed by all of the parties hereto and such representatives of the parties as have been duly authorized to make such changes.

23. **Joint Product.** The language set out in this Rental Agreement represents the joint product of the parties and shall not be construed against one party in favor of the other. Each party hereto has had the option of seeking the advice of legal counsel in the drafting of this Rental Agreement, and the rule of construction favoring construction against the drafter shall not apply. Renter acknowledges and agrees that Renter has not received any legal advice from the City's attorney or from anyone associated with the City.

24. **Authority.** The parties and their undersigned representatives warrant that they have full authority to enter into this Rental Agreement and to execute this Rental Agreement.

25. **Hazardous Materials.** The Renter shall not permit, store, manufacture or dispose on Rented Premises any hazardous material or controlled substance as determined by federal, state, or municipal statutes or laws now or at any time hereafter in effect, including but not limited to, the Comprehensive Environmental Response, Compensation and Liability Act (42 U.S.C. 9601 et seq.), the Hazardous materials Transportation Act (42 U.S.C. 1801 et seq.), the Resource Conservation and Recovery Act (42 U.S.C. 6901 et seq.), the Federal Water Pollution Control Act (33 U.S.C. 1251 et seq.), the Clean Air Act (42 U.S.C. 7401 et seq.), the Toxic Substance Control Act, as amended (15 U.S.C. 2601 et seq.), and the Occupational Safety and Health Act (29 U.S.C. 651 et seq.), and Title 46 of the Alaska Statutes as these laws have been and may hereafter be

# RENTAL AGREEMENT

amended or supplemented. "Hazardous Substance" means any pollutant, contaminant, toxic substance, flammable, explosive, radioactive material, urea formaldehyde foam insulation, asbestos, PCB's or any other substance the removal of which is required, or the manufacture, preparation production, generation, use maintenance, treatment, storage, transfer, handling or ownership of which is restricted , prohibited, regulated or penalized by any and all federal, state, or municipal statutes or laws now or at any time hereafter in effect. Hazardous material shall not include cleaning supplies used in the routine daily cleaning and operation of a restaurant.

26. **Acceptance of the Rented Property by Renter.** Renter acknowledges that it has thoroughly examined Rented Premises. Renter accepts Rented Premises in their "AS IS" condition, and the City shall not be required to perform any work to prepare Rented Premises for the Renter. Renter's taking possession of Rented Premises shall be conclusive evidence against it that, at the time possession was taken, Rented Premises were in good and satisfactory condition. Renter acknowledges that, except for those representations and statements regarding the condition of Rented Premises expressly stated herein, Renter has not relied upon any representations or statements of the City or its representatives or agents regarding the condition of Rented premises or their suitability for Renter's uses under this Rent.

1. **Attorneys' Fees and Costs.** Should any dispute and/or legal action arise by reason of any default or breach on the part of Renter in the performance of any of the provisions of the Rental Agreement, Renter agrees to pay all reasonable attorneys' fees and costs incurred by City in connection therewith including City's attorneys' fees and costs incurred on appeal. It is agreed that the venue of any legal action brought under the terms of this Rental Agreement will be the First Judicial District, at Ketchikan, Alaska. Renter specifically agrees that venue for trial in any action related to this Rent shall be in Craig, Alaska.

2. **No Waiver of Covenants.** Any waiver by either party of any breach hereof by the other shall not be considered a waiver of any future or similar breach. This Rental Agreement contains all the agreements between the parties, and there shall be no modification of the agreements contained herein except by written instrument signed by both parties.

3. **Surrender of Rented Premises.** Upon termination of this Rental Agreement, Renter agrees to peacefully quit and surrender the Rented premises without notice, remove all of Renter's personal property and leave the Rented premises neat and clean. If City elects to require Renter to remove any alterations or improvements made by Renter, then Renter shall restore the Rented Premises to their previous condition, at Renter's sole expense.

4. **Binding on Heirs, Successors and Assigns.** The covenants and agreements of this Rental Agreement shall be binding upon the heirs, executors, administrators,

# RENTAL AGREEMENT

successors and assigns of both parties thereto, except as hereinabove provided, and as allowable by law.

- 5. Notice.** Any notice required to be given by either party to the other shall be deposited in the United States mail, postage prepaid, addressed to City at P.O. Box 19110, Thorne Bay, Alaska 99919, or the Renter at, \_\_\_\_\_, \_\_\_\_\_, or at such other address as either party may designate in writing to the other.
- 6. City's Right of Entry.** The City shall have the right to enter Rented premises at all reasonable times to examine the condition of same.

**IN WITNESS WHEREOF,** The parties hereto have executed this Rental Agreement as of the date first set above written.

CITY:

RENTER:

THE CITY OF THORNE BAY

By \_\_\_\_\_  
James Gould, Mayor "City"

By \_\_\_\_\_  
Cindy Edenfield "Renter"

ATTEST:

\_\_\_\_\_  
Teri Feibel, City Clerk

**administrator@thornebay-ak.gov**

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**From:** Ken Williams <kenwilliamsps@comcast.net>  
**Sent:** Monday, October 05, 2015 12:18 PM  
**To:** administrator@thornebay-ak.gov  
**Subject:** Emailing: 2001 F350 (1), 2001 F350 (2), 2001 F350 (3), 2001 F350 (4), 2001 F350 (5), 2001 F350 (6), 2001 F350 (7), 2001 F350 (8), 2001 F350 (9), 2001 F350 (10), 2001 F350 (11), 2001 F350 (12)  
**Attachments:** 2001 F350 (1).jpg; 2001 F350 (2).jpg; 2001 F350 (3).jpg; 2001 F350 (4).jpg; 2001 F350 (5).jpg; 2001 F350 (6).jpg; 2001 F350 (7).jpg; 2001 F350 (8).jpg; 2001 F350 (9).jpg; 2001 F350 (10).jpg; 2001 F350 (11).jpg; 2001 F350 (12).jpg; Ken Williams.vcf

Wayne,

Here is a service truck we just got in.

- . 2001 Ford F350 single axle chassis
- . Serial # 1FDWF36S51EC33018
- . V10 gasoline engine
- . Automatic overdrive transmission
- . 11,000# Gross vehicle weight rating
- . 3,950# front axle, 9,750# rear axle
- . Power steering & power brakes
- . LT 235/85 R 16 tires
- . 141" wheelbase
- . Air conditioning, AM/FM/ cassette, intermittent wipers
- . Tilt steering wheel, front tow hooks
- . 9' Service body with pop up lids
- . Material rack
- . Safety beacons
- . Trailer tow package
- . EX Major Utility company unit with 101,927 miles!

Your price \$16,500 including the following services:

- \* An Annual DOT inspection
- \* Full functional and operational inspection
- \* Chassis service to include engine oil and filter, fuel filter, air filter, & chassis lube
- \* Tires and brakes in excess of 50% tread remaining
- \* No broken glass or tears in the interior
- \* Detailed

Thank you for your time and consideration of our equipment. We look forward to earning your business!

Sincerely,

Ken Williams  
Sales Manager

**administrator@thornebay-ak.gov**

---

**From:** Ken Williams <kenwilliamspsts@comcast.net>  
**Sent:** Wednesday, September 30, 2015 11:55 AM  
**To:** administrator@thornebay-ak.gov  
**Subject:** 4202 (1), 4202 (2), 4202 (3), 4202 (4), 4202 (5), 4202 (6), 4202 (7), 4202 (8), 4202 (9)  
**Attachments:** 4202 (1).jpg; 4202 (2).jpg; 4202 (3).jpg; 4202 (4).jpg; 4202 (5).jpg; 4202 (6).jpg; 4202 (7).jpg; 4202 (8).jpg; 4202 (9).jpg; Ken Williams.vcf

Wayne,

Here is the first truck we spoke about.

This unit came from a County and is in excellent condition! We have not even touched it yet in these pictures.

- ❏ 1993 International 4900 single axle dump truck #4202
- ❏ Serial number 1HTSDN244PH460685
- ❏ DTA466- 230 horsepower International turbo diesel
- ❏ Allison MT653DR 5 speed automatic transmission
- ❏ 35,200# gross vehicle weight rating
- ❏ 14,000# front axle
- ❏ Spicer W230-S 23,000# axle rated at 21,200#; 4.78 axle ratio
- ❏ Steel frame with 152" wheelbase
- ❏ 315/85 R 22.5 front tires, 11 R 22.5 tires on drive axle
- ❏ 50 gallon steel fuel tank
- ❏ Heated mirrors, AM/FM radio, Air drier, Intermittent wipers
- ❏ Plow lights & beacon lights
- ❏ 10' 5 – 6 yard Galion steel dump box
- ❏ Air operated tailgate locks
- ❏ Flink 5.1 yard slip in V Box sander
- ❏ 10.5' Schmidt bi-directional snow plow with break-away blade
- ❏ Underbody toolbox
- ❏ Tow package
- ❏ EX County unit with 50,520 original miles!

Priced @ \$36,500 including the following services:

- \* An Annual DOT inspection
- \* Full functional and operational inspection
- \* Chassis service to include engine oil and filter, fuel filter, air filter, & chassis lube
- \* Tires and brakes in excess of 50% tread remaining
- \* No broken glass or tears in the interior
- \* Detailed

Thank you for your time and consideration of our equipment. We look forward to earning your business!

Sincerely,

**From:** Greg Mickelson <greg.m@aptalaska.com>  
**Sent:** Wednesday, September 30, 2015 11:04 AM  
**To:** Wayne Benner  
**Cc:** Barry Heatley; Jess Isaacs  
**Subject:** LED street light

**Flag Status:** Flagged

Wayne:

I have requested current pricing on lights but I doubt it has changed from June when I ordered the (38) lights for the City of Hydaburg. Pricing then was \$479.00 ea for the 55 watt LED lights and \$36.00 ea for the phot eyes. \$515.00 each per light before shipping and I estimate it would take 2 men 3 days for replacement.

Budget estimate is as follows

\$12,360.00 Lights  
\$ 750.00 freight  
\$ 500.00 misc wire and parts  
\$ 5,139.86 labor

**\$18,749.86** Total for materials, shipping, and labor

Please note this cost estimate is only good for 90 days from the date of this e-mail. Materials are about 6 weeks out from order date. If you have any further questions please call.

Regards

*Greg Mickelson*

Greg Mickelson  
Vice President of Power Operations  
Alaska Power & Telephone Company  
P.O. Box 149  
Klawock, AK 99925  
907-755-4822 Office Ext 321  
907-826-4826 Fax  
907-965-1000 cell

*2012 Grant*

*45 Fixtures for \$23,100 ⇒ \$513/Fixture*

*Installation / photo cells and misc done by AP&T*



**CITY OF THORNE BAY**

P.O. BOX 19110  
 THORNE BAY, ALASKA 99919  
 (907) 828-3380  
 FAX (907) 828-3374  
[www.thornebay-ak.gov](http://www.thornebay-ak.gov)

|  | Number of Lights | Annual Operational Cost | Per Fixture Operating Cost | Cost for Upgrade | Cost Per Fixture |
|--|------------------|-------------------------|----------------------------|------------------|------------------|
| Old Halogen Street Lights  | \$ 69.00         | \$ 7,325.50             |                            |                  |                  |
| LED Lights Converted in 2012   | \$ 45.00         | \$ 1,778.00             | \$ 39.51                   |                  |                  |
| Old Halogen Lights Still in Operation  | \$ 24.00         | \$ 2,548.00             | \$ 106.17                  |                  |                  |
| Halogen Lights Converted in 2012 to LED  | \$ 45.00         |                         |                            | \$ 23,100.00     | \$ 513.33        |
| Costs for Installation, Freight and Misc NOT INCLUDED  |                  |                         |                            |                  |                  |
| Halogen Lights Proposed to be Converted 2016   | \$ 24.00         |                         |                            | \$ 12,360.00     | \$ 515.00        |
| Costs for Installation, Freight and Misc INCLUDED  |                  |                         |                            | \$ 6,390.00      |                  |
| (Freight-750, Labor-5140, Misc-500)  |                  |                         |                            | \$ 18,750.00     |                  |
| Cost to Operate LED Lights with Upgrade  | \$ 69.00         | \$ 2,726.27             |                            |                  |                  |
| Net Yearly Savings   |                  | \$ 4,599.23             |                            |                  |                  |
| Payback In Years for Full Conversion to LED Lights<br>Based on Total Savings and Estimated Upgrade Costs |                  |                         | 4.08                       |                  |                  |
| Wayne Benner, City Administrator   |                  |                         |                            |                  |                  |
| Cell: (208) 290-2564   |                  |                         |                            |                  |                  |
| Email: <a href="mailto:administrator@thornebay-ak.gov">administrator@thornebay-ak.gov</a>                |                  |                         |                            |                  |                  |

## City of Thorne Bay 2014 Vendor QuickReport

November 1, 2014 through October 2, 2015

| AP&T | Type                     | Date       | Num    | Split         | Amount           |
|------|--------------------------|------------|--------|---------------|------------------|
|      | <b>LED Street Lights</b> |            |        |               |                  |
|      | Bill                     | 12/02/2014 | TB1371 | Electricity   | -213.46          |
|      | Bill                     | 12/30/2014 | TB1371 | Electricity   | -190.36          |
|      | Bill                     | 01/26/2015 | TB1371 | Electricity   | -222.56          |
|      | Bill                     | 03/05/2015 | TB1371 | Electricity   | -239.95          |
|      | Bill                     | 03/31/2015 | TB1371 | Electricity   | -170.29          |
|      | Bill                     | 04/27/2015 | TB1371 | Electricity   | -135.55          |
|      | Bill                     | 06/05/2015 | TB1371 | Electricity   | -127.02          |
|      | Bill                     | 07/01/2015 | TB1371 | Electricity   | -100.90          |
|      | Bill                     | 07/29/2015 | TB1371 | Electricity   | -86.91           |
|      | Bill                     | 09/03/2015 | TB1371 | Electricity   | -132.10          |
|      | Bill                     | 10/01/2015 | TB1371 | Electricity   | -159.39          |
|      |                          |            |        | <b>Total:</b> | <b>-1,778.49</b> |

### Regular Street Lights

|      |            |        |               |                  |
|------|------------|--------|---------------|------------------|
| Bill | 12/02/2014 | TB0270 | Electricity   | -308.95          |
| Bill | 12/30/2014 | TB0270 | Electricity   | -267.88          |
| Bill | 01/26/2015 | TB0270 | Electricity   | -306.06          |
| Bill | 03/05/2015 | TB0270 | Electricity   | -343.16          |
| Bill | 03/31/2015 | TB0270 | Electricity   | -236.36          |
| Bill | 04/27/2015 | TB0270 | Electricity   | -199.28          |
| Bill | 06/05/2015 | TB0270 | Electricity   | -167.07          |
| Bill | 07/01/2015 | TB0270 | Electricity   | -153.14          |
| Bill | 07/29/2015 | TB0270 | Electricity   | -145.35          |
| Bill | 09/03/2015 | TB0270 | Electricity   | -183.64          |
| Bill | 10/01/2015 | TB0270 | Electricity   | -237.01          |
|      |            |        | <b>Total:</b> | <b>-2,547.90</b> |

November/2014 - October/2015