**NOTICE OF ADDITIONS TO THIS AGENDA (NEW BUSINESS ITEM 3)**

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**AGENDA**

FOR THE REGULAR MEETING OF THE CITY COUNCIL FOR
THE CITY OF THORNE BAY, ALASKA

**TUESDAY, July 5, 2022**

**TIME: 6:30 p.m.**

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**THERE WILL BE A WORKSHOP BEGINNING AT 6:00PM**

LOCATION: TELECONFERENCE/VIDEO CONFERENCING LINE

Phone Number: 1-650-479-3208

Meeting Link: [https://cityofthornebay.my.webex.com/cityofthornebay.my/j.php?MTID=m99f71eee7f975b71d7ee0f9f7c5e44a1](https://cityofthornebay.my.webex.com/cityofthornebay.my/j.php?MTID=m99f71eee7f975b71d7ee0f9f7c5e44a1)

Meeting number: 182 323 7632 Password: MghMxgJy424 (64469459 from phones and video systems)

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1) CALL TO ORDER:

2) PLEDGE TO FLAG:

3) ROLL CALL:

4) APPROVAL OF AGENDA:

5) MAYOR’S REPORT:

6) ADMINISTRATIVE REPORTS:
   a) City Administrator:

7) PUBLIC COMMENTS:

8) COUNCIL COMMENTS:

9) CONSENT AGENDA:
   a) MINUTES
      i. Minutes of the June 21, 2022, Regular City Council Meeting, discussion and action item:

10) NEW BUSINESS:
   a) Resolution 22-07-05-01, supporting POWCAC Resolution 22-02, opposing a State Constitutional Convention, which is being presented to the voters on November 8, 2022, discussion and action item:
   b) Resolution 22-07-05-02, approving Lease Renewal for Southeast Roadbuilders on Lot 6, Downtown Business District, discussion and action item:
   c) Resolution 22-06-21-03, approving Lease Renewal for PAPAC Logging Inc., for 2 acres of land in the Sortyard, discussion and action item:

11) ORDINANCE FOR PUBLIC HEARING:
   a) Ordinance 22-07-05-01, amending Thorne Bay Municipal Code Title 2 – Administration and Personnel, Chapter 2.08-Mayor, Sections of 2.08.020 – Vice Mayor and adding Section 2.08.025 – Mayor Pro-TemPorre discussion and action item:

12) ORDINANCE FOR INTRODUCTION: None

13) CONTINUATION OF PUBLIC COMMENT:

14) CONTINUATION OF COUNCIL COMMENT:

15) ADJOURNMENT:

posted: July 1, 2022
JOIN BY WEBEX – ONLINE VIDEO/TELECONFERENCING

Tuesday, July 5, 2022, there will be a workshop of the City Council preceding the meeting and begins at 6:00pm. The Regular Meeting of the City Council begins at 6:30 pm

MEETING INFORMATION

Meeting link:  https://cityofthornebay.my.webex.com/cityofthornebay.my/j.php?MTID=m99f71eee7f975b71d7ee0f9f7c5e44a1
Meeting Number: 182 323 7632
Password: MghMxgJy424 (64469459 from phones and video systems)
Agenda: Agendas are posted the Friday before each meeting by 6pm.

Agenda packets can be downloaded online at www.thornebay-ak.gov and on our Facebook page at:
https://www.facebook.com/profile.php?id=100064908843463

Packets may also be picked up around town at various locations which include City Hall, Thorne Bay Market, The Port, Riptide Liquor & Davidson Landing Harbor.

Agendas are posted at the Thorne Bay Market, The Port, US Forest Service Main Office, Thorne Bay School, SISD District Office, City Hall, Riptide Liquor & Davidson Landing Harbor.

To request items on the agenda for the City Council to act upon, complete the Agenda Item Request for Action form available on the City's Website or by request to the City Clerk. Submit the form to the City Clerk by 4pm on the Wednesday preceding the regular meeting date. The form can also be downloaded using the following link:

More Ways to Join

Join by video system
Dial 1823237632@webex.com
You can also dial 173.243.2.68 and enter your meeting number.

Join by phone
+1-650-479-3208 United States Toll
Access code: 182 323 7632
Telephonic Passcode: 64469459
Global call-in numbers
MINUTES
FOR THE REGULAR MEETING OF THE CITY COUNCIL FOR
THE CITY OF THORNE BAY, ALASKA
TUESDAY, June 21, 2022
TIME: 6:30 p.m.

The meeting was preceded by a workshop at 6:00pm

LOCATION: TELECONFERENCE/VIDEO CONFERENCING LINE
CITY OF THORNE BAY
RESOLUTION 22-07-05-01

A RESOLUTION OF THE CITY COUNCIL, FOR THE CITY OF THORNE BAY, ALASKA, SUPPORTING
THE PRINCE OF WALES ADVISORY COUNCIL RESOLUTION NO. 22-02

WHEREAS, the City Council is the governing body of Thorne Bay, Alaska; and

WHEREAS, the City of Thorne Bay is a member of the Prince of Wales Advisory Council; and

WHEREAS, the Prince of Wales Advisory Council met on June 28th, 2022, and adopted Resolution 22-02, opposing a State Constitutional Convention, which is being presented to the voters on November 8, 2022; and

WHEREAS, the City Council for the City of Thorne Bay agrees with the position of POWCAC opposing this convention and believes it to be in the best interest of the city to support POWCAC Resolution 22-02.

NOW, THEREFORE, BE IT RESOLVED that the City Council for the City of Thorne Bay, Alaska, supports the Prince of Wales Advisory Council Resolution No. 22-02 attached below.

PASSED & APPROVED this 5th day of July 2022, by a duly constituted quorum of the City Council for the City of Thorne Bay, Alaska, with a vote of ___ YEAH, ____ NAYS, ____ ABSENT.

ATTEST:
Lee Burger, Mayor

______________________________
Teri Feibel, CMC
WHEREAS, The Lt. Governor is required to put before voters the ballot question: “Shall there be a constitutional convention?” if a convention hasn’t been called within the last 10 years. This question will appear on the November 8, 2022, ballot;

WHEREAS, Alaska’s Constitution was ratified in 1956 and has served the people of Alaska well, often referenced as a model constitution which has been a stabilizing guide through turbulent times;

WHEREAS, holding a constitutional convention will provide just another space for partisan politics making it even more difficult to work together for the future of Alaska;

WHEREAS, Alaskans have consistently voted against a constitutional convention and, instead, have opted for the more targeted, transparent constitutional amendment process for change;

WHEREAS, Alaska’s economic future would be thrown into disarray, with economic, legal, and regulatory uncertainty stymieing future investment. Taxes, environmental regulations, education, and more will all be up for revision, and final approval of any changes made would come at the end of a multi-year process;

THEREFORE, BE IT RESOLVED that the Prince of Wales Community Advisory Council opposes a constitutional convention.

PASSED AND APPROVED this 28th day of June, 2022 by the Prince of Wales Community Advisory Council.

POWCAC Chair

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Member Approvals:
A RESOLUTION OF THE CITY COUNCIL FOR THE CITY OF THORNE BAY, ALASKA, APPROVING THE RENEWAL OF SHORT-TERM LEASE WITH SOUTHEAST ROADBUILDERS FOR LEASE OF CITY OWNED PROPERTY AT LOT 6 OF THE DOWNTOWN BUSINESS DISTRICT FOR A TERM OF 2-YEARS, EXPIRING MAY 31, 2024.

WHEREAS, the City Council is the governing body of the City of Thorne Bay; and

WHEREAS, the Thorne Bay Municipal Code 2.56.240-provides that negotiated leasing may be conducted with a single prospective lessee or renter through the use of resolution; and

WHEREAS, the current lease between Southeast Roadbuilders and the City expired effective May 31, 2022, and the City Council through Resolution 22-05-03-02, authorized the City Administrator to negotiate new lease terms with SE Roadbuilders; and

WHEREAS, the new lease terms included a change in leased premises by reducing the total leased lots from two lots (Lot 6 & 7) to one lot (Lot 6) and increased the monthly lease rate from $75 per lot to $474.38 per acre, for a total monthly rate of $186.43, for Lot 6, containing a total of 0.393 acres; and

WHEREAS, it is in the City's best interest to retain Southeast Roadbuilders as a “renter” under the terms of a 2-year short-term lease.

NOW THEREFORE, BE IT RESOLVED that the City Council for the City of Thorne Bay hereby approves the renewal of a short-term lease, effective June 1, 2022, through May 31, 2024, for the rental of city owned lands located at Lot 6 of the Downtown Business District.

PASSED AND APPROVED this 5th day of July 2022, by a duly constituted quorum of the City Council with a vote of ___ Yeah, ___ Nays & ____ Absent/Abstained.

ATTEST: ______________________________

Lee Burger, Mayor

_______________________________

Teri Feibel, CMC
LEASE RENEWAL
SOUTHEAST ROADBUILDERS

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, Southeast Road Builders, (hereinafter called the “RENTER”).

1. **Rented Premises.** The City does hereby Rent to the Renter Lot 6 (0.393 Acres) of the Business District Subdivision 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 June 1st, 2022, and ending May 31, 2024. 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 Eighty-Six Dollars and Forty-Three cents ($186.43)** 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. Each year upon the anniversary date of this Rental Agreement (June 1st) the monthly Rent payment shall be reviewed and adjusted in accordance with the U.S. Department of Labor Consumer Price Index for
Anchorage (CPI-U) as determined and published for the preceding calendar year. The base CPI figure for this Lease is 237.188 (Base Year: 1982-84 = 100) for the preceding full calendar year of 2021. The Base CPI figure of 237.188 shall be construed to equate to the dollar amount per half acre for the Lease ($474.38 / Acre) and will be automatically adjusted from year to year, to keep up with inflation, based on the previous full year published CPI-U for Anchorage.

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 purpose of **Storage of Southeast Road Builders Vehicles, Equipment and Supplies.** 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.

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 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 Stature 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;
   (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 of 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.

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

20. 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 Statues.

(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 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.

21. **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 al law or in equity or by statute.

22. **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.

23. **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.
24. **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.

25. **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.

26. **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 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.

27. **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.
28. **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.

29. **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.

30. **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.

31. **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.

32. **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 302, Klawock, AK 99925, or at such other address as either party may designate in writing to the other.

33. **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 ____________________________
Lee Burger, Mayor “City”

RENTER:

By ____________________________
Southeast Road Builders “Renter”
CITY OF THORNE BAY
RESOLUTION 22-07-05-03


WHEREAS, the City Council is the governing body of the City of Thorne Bay; and

WHEREAS, the Thorne Bay Municipal Code 2.56.240-provides that negotiated leasing may be conducted with a single prospective lessee or renter through the use of resolution; and

WHEREAS, the current lease between Papac Logging Inc. and the City expired effective May 31, 2022, and the City Council through Resolution 22-05-03-02, authorized the City Administrator to negotiate new lease terms with Papac Logging Inc.; and

WHEREAS, the new lease terms included a reduction in lease term from two years to one year, and increased the monthly lease rate from $150 per acre to $237.188 per acre, for a total monthly rate of $474.38, for land in the Sortyard, containing a total of 2 acres; and

WHEREAS, it is in the City's best interest to retain Papac Logging Inc. as a “renter” under the terms of a 1-year short-term lease.

NOW THEREFORE, BE IT RESOLVED that the City Council for the City of Thorne Bay hereby approves the renewal of a short-term lease, effective June 1, 2022, through May 31, 2023, for the rental of city owned lands located at the Sortyard.

PASSED AND APPROVED this 5th day of July 2022, by a duly constituted quorum of the City Council with a vote of ___ Yeah, ____ Nays & ____ Absent/Abstained.

ATTEST:                                                                                                    Lee Burger, Mayor
_____________________________
Teri Feibel, CMC
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 two acres 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 One (1) year(s) beginning June 1, 2022 and ending May 31, 2023. 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 One (1) 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 Four Hundred Seventy-Four Dollars and Thirty-Eight Cents ($474.38) 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. Should this Rental Agreement be renewed, the monthly rent payment shall be reviewed and adjusted in accordance with the U.S. Department of Labor Consumer Price Index for Anchorage (CPI-U) as determined and published for the preceding calendar year. The base CPI figure for this Lease is 237.188 (Base Year: 1982-84 = 100) for the preceding full calendar year of 2021. The Base CPI figure of 237.188 shall be
construed to equate to the dollar amount per acre for the Lease ($237.188 / Acre) and will be automatically applied to any renewed Rental Agreement from year to year, to keep up with inflation, based on the previous full year published CPI-U for Anchorage.

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 purpose of **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.
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 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 Stature 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:

(j) 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;

(k) Upon shut off of utilities;

(l) 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;

(m) 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;

(n) 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;

(o) The taking possession of Rented Premises of the Renter by any governmental officer of agency pursuant to statutory authority for the dissolution of liquidation of the Renter;

(p) The making by the Renter of an assignment for the benefit of creditors;

(q) Renter vacates or abandons the Rented Premises; and

(r) 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.

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

21. **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.

(h) 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 Statues.

(i) 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;

(j) Declare the Term ended;
(k) 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;
(l) 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;
(m) 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.
(n) 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.

22. 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 al law or in equity or by statute.

23. 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.

24. 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.

25. 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.

26. 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.
27. **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 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.

28. **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.

29. **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.

30. **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.
31. **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.

32. **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.

33. **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 404, Craig, AK 99921, or at such other address as either party may designate in writing to the other.

34. **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 ______________________________  
Lee Q. Burger, Mayor “City”

RENTER:  
PAPAC ALASKA LOGGING

By ______________________________  
Papac Alaska Logging, Inc. “Renter”

ATTEST:  
_________________________________
Teri Feibel, CMC
AN ORDINANCE OF THE CITY COUNCIL FOR THE CITY OF THORNE BAY, ALASKA, AMENDING THORNE BAY MUNICIPAL CODE (TBMC), TITLE 2 – ADMINISTRATION & PERSONNEL, CHAPTER 2.08 – MAYOR, SECTION 2.08.020 – VICE MAYOR, ADDING SECTION 2.08.025 – MAYOR PRO TEMPORE

BE IT ENACTED BY THE CITY COUNCIL FOR THE CITY OF THORNE BAY ALASKA

Section 1. **Classification.** This ordinance is of a general and permanent nature, the chapter and section hereby amended shall be added to the Thorne Bay Municipal Code.

Section 2. **Purpose.** To amend the time for appointing a Vice Mayor and providing for a Mayor Pro-Tempore to serve during the absence of a Mayor and Vice Mayor. The change would allow a councilmember who may have run for Mayor and not be elected, to be considered for Vice Mayor.

Section 3. **Amendment to Code.** Amendments to the Thorne Bay Municipal Code are identified by the followings means: (strike through) indicates text to be deleted from and **(BOLD BLUE & CAPITALIZED)** indicates text added to the current code.

The Chapter and Sections of 2.08.020 & 2.08.025 are hereby amended and shall read as written on page 2, of this ordinance.

Section 4. **Severability.** If any provisions of this ordinance or any application thereof to any person or circumstances is held invalid, the circumstances shall not be affected thereby.

Section 5. **Adoption.** The Chapter and Sections of 2.08.020 – Vice Mayor and 2.08.025 – Mayor Pro-Tempore, are hereby adopted and added to the Thorne Bay Municipal Code.

Section 6. **Effective Date.** This ordinance shall become effective upon adoption.

PASSED AND APPROVED this 5th day of July 2022, by a duly constituted quorum of the City Council with a vote of _____ Yeas _____ Nays & ____ Absent/Abstained.

_________________________________________
ATTEST: Lee Burger, Mayor

______________________________
Teri Feibel, CMC
AMENDMENT OF SECTIONS:

2.08.020 VICE MAYOR.

The council shall meet on the first Monday after certification of each MAYORAL ELECTION OR general election ON NON-MAYORAL ELECTION YEARS and shall elect a councilmember to serve as Vice Mayor. The term of the office of Vice Mayor shall be annual, beginning on the first Monday after certification of the MAYORAL OR general election. The Vice Mayor shall exercise all the duties and powers of mayor until the mayor takes office. Should the mayor be temporarily absent, disabled or unable to act, the Vice Mayor shall preside at council meetings and sign documents on the city's behalf, upon council authorization or as otherwise authorized by municipal code, until the mayor resumes his official duties. (Ord. 96-23 §5(part), 1996) (Ordinance 05-09-06-04)

2.08.025 MAYOR PRO TEMPORE

ON MAYORAL ELECTION YEARS, THE COUNCIL SHALL MEET ON THE FIRST MONDAY AFTER CERTIFICATION OF THE GENERAL ELECTION AND SHALL APPOINT ONE COUNCILMEMBER TO SERVE AS MAYOR PRO TEMPORE. THE MAYOR PRO TEMPORE TAKES OFFICE IMMEDIATELY AND SHALL EXERCISES THE POWERS AND DUTIES OF MAYOR UNTIL THE PERMANENT MAYOR TAKES OFFICE.