



CITY OF THORNE BAY
RESOLUTION 26-04-07-05

A RESOLUTION OF THE CITY COUNCIL FOR THE CITY OF THORNE BAY, ALASKA, APPROVING THE RENEWAL OF SHORT-TERM LEASE WITH EQUINOX AIR FOR LEASE OF CITY OWNED PROPERTY FOR A TERM OF 3-YEARS, EXPIRING MAY 31, 2029.

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 City Council discussed and approved of the submitted application for lease of municipal property; and

WHEREAS, the lease terms include a monthly lease rate of \$140 per month or \$1680 annually, for non-surveyed lands next to the Anderson Lodge , containing a total of 2800 square feet; and

WHEREAS, it is in the City's best interest to attain Equinox Air as a "renter" under the terms of a 3-year short-term lease.

NOW THEREFORE, BE IT RESOLVED that the City Council for the City of Thorne Bay hereby approves the short-term lease, effective April 7, 2026, through May 31, 2029, for the rental of city owned lands.

PASSED AND APPROVED this 7th day of April 2026, by a duly constituted quorum of the City Council with a vote of 4 Yeah, 0 Nays & 2/1 Absent/Abstained.

Anthony Lovell, Vice Mayor

ATTEST:

Caitlyn Sawyer, City Clerk/Treasurer

Equinox Air LEASE AGREEMENT

This Lease Agreement is made this 7th day of April 2026, by and between Equinox Air, LLC (hereinafter called “Lessee”) and the City of Thorne Bay (hereinafter called “Lessor”).

1. **Leased Premises.** Lessor does hereby lease to Lessee that certain non-surveyed parcel of real property measuring approximately eighty (80’) by thirty-five (35’) deep, located south of Shoreline Drive within Tract I, Alaska Tidelands Survey No. 1361-A, all within Section 27, Township 71 South, Range 84 East, Copper River Meridian, Ketchikan Recording District, First Judicial District, State of Alaska, consisting of 2,800 square feet, as depicted in Exhibit A, hereinafter referred to as “leased premises”.
2. **Municipal Code, Title 2, Article III, Incorporated.** The provisions of Title 2, Article III of the Thorne Bay Municipal Code shall apply to the term of this Lease Agreement and are attached hereto as Exhibit B and incorporated herein by reference.
3. **Term.** The term of this Lease shall be for a period of three years commencing on the 7th day of April 2026, and terminating on the 30th day of May, 2029. Lessee shall have the option to renew this lease for an additional three-year period subject to renegotiation of lease payments acceptable to both Lessor and Lessee. This option to renew shall be exercised by Lessee in writing sixty (60) days prior to the expiration of the original lease term. Lessee’s right to extend under this section is condition upon Lessee not being in default in performance of the terms and conditions of this lease.
4. **Monthly Lease Payment.** Lessee covenants and agrees to pay Lessor lease payments in the sum of One Thousand, Six Hundred Eighty and No/100 (\$1,680.00) per annum, payable monthly in installments of One Hundred Forty and No/100 (\$140.00) plus applicable sales tax in advance on the first day of each month of the lease term. In the event any payment required to be made pursuant to this Lease Agreement is more than ten (10) days past due, a late charge equal to twenty percent (20%) per annum on such past due amount will be assessed and charged to Lessee by Lessor.
5. **Use.** Lessee shall use the leased premises for the purposes of placing thereon, an office for Lessee’s business and for a parking area to be utilized by Lessee’s employees and customers. The leased premises shall be used for no other purposes without the prior written consent of Lessor. Failure to use the lease premises and to operate the business described herein for a period of three (3) consecutive months, or more, shall constitute a material breach of this Lease Agreement and grounds for Lessor’s immediate termination of this Lease Agreement.
6. **Utilities and Fees.** Lessee agrees to pay charges for all utilities, including but not limited to electricity, water, sewer, refuse collection, propane, fuel oil and telephone.
7. **Utility Service Extensions.** Lessee agrees pay utility fees as defined in Chapter 13 of the City of Thorne Bay Municipal Code. Lessee will be billed and will pay for such

utilities, including but not limited to water, sewer, and refuse, on a monthly basis at the regularly published rate. Lessor agrees to allow Lessee to hook into Lessor's water and sewer systems. Lessee, at Lessee's sole cost and expense, will provide all necessary electric, water and sewer utility extensions placed within the Leased premises, to Lessor's curb stop for water and Lessor's lot boundary line for sewer, including any pumps which may be necessary. Lessor, at Lessee's sole cost and expense, will install the water from the curb stop to the water main and the sewer from the lot line to the water main and sewer from the lot line to the sewer main. Lessee's water and sewer extensions must be in accordance with the Thorne Bay Municipal Code, Chapters 13.04 and 13.08, as amended. Lessee will be billed and will pay for such water and sewer service on a monthly base at the regularly published water and sewer rates. All services extensions will be subject to Lessor's inspection and approval prior to Lessor providing water and sewer services.

8. **Repairs, Maintenance and Compliance with Laws.** Lessee shall maintain the leased premises at Lessee's sole cost and expense and at all times keep the leased premises neat, clean and in a sanitary condition. Lessee shall keep and use the leased premises in accordance with applicable laws, ordinances, rules, regulations and requirements of governmental authorities. Lessee shall permit no waste, damage or injury to the lease premises. Lessee's use of the lease premises in violation of any law or regulation of any government entity related to public health or safety or environmental pollution shall be a material breach of this Lease Agreement and grounds for Lessor's termination of this Lease Agreements.
9. **Signs, Alternations and Improvements.** All signs or symbols placed on or about the leased premises shall be subject to Lessor's prior written approval. After prior written consent of Lessor, Lessee may make alterations and improvements to the leased premises, at Lessee's sole cost and expense. Lessor may elect to require Lessee to remove any such alterations and improvements upon termination of this Lease Agreement at Lessee's sole cost and expense. Any of Lessee's improvements remaining on the leased premises longer than thirty (30) days after Lessee's possessory rights to the leased premises have expired shall become the property of Lessor.
10. **Liens and Insolvency.** Lessee shall keep the leased premises free from any liens arising out of any work performed for, materials furnished to or obligations incurred by Lessee, and shall hold Lessor harmless against the same. In the event Lessee becomes insolvent, bankrupt or is a receiver, assignee or other liquidating officer is appointed for the business of Lessee, Lessor, in Lessor's sole discretion, may immediately terminate this Lease Agreement and require that Lessee vacate the leased premise.
11. **Subletting or Assignment.** Lessee shall not sublet the whole or any part of the leased premises nor assign this Lease Agreement without the prior written consent of Lessor. This Lease Agreement shall not be assignable by operation of law. All terms and conditions of this Lease Agreement shall be binding upon any sublease or assignee of this Lease and Lessee shall remain fully responsible to Lessor for performance of this Lease Agreement.
12. **Permits and Compliance with Law.** Lessee shall obtain all necessary local, state and federal permits necessary for constructing the business on the leased premises and for operation of Lessee's business and shall comply with all local, state and federal laws, rules and regulations.

13. **Accidents and Liability.** Lessor or its agent shall not be liable for any injury or damage to the persons or property sustained by Lessee or others, in and about the leased premises. Lessee agrees to defend and hold Lessor and its agents harmless from any claim, action and/or judgment for damages (including payment for Lessor's attorneys' fees and costs) to property or injury to persons suffered or alleged to be suffered, arising out of or in connection with the use or occupancy of the leased premises by any person, firm or corporation, unless caused by Lessor's negligence.
14. **Indemnification.** Lessee agrees to defend and hold Lessor and its agents harmless from claim, action and/or judgment for damages (including payment for Lessor's attorneys' fees and costs) to the public health or safety or environment suffered or alleged to be suffered, arising out of or in connection with the use or occupancy of the leased premises by Lessee. Lessee shall be solely responsible for all cleanup and costs of cleanup (including any fines) which may be assessed by state or federal agencies arising out of any environmental pollution suffered or alleged to be suffered, arising out of or in connection on with the use or occupancy of the leased premises by Lessee.
15. **Insurance.** Lessee shall purchase and maintain in effect throughout the entire lease term, commercial general liability insurance in an amount no less than \$1,000,000 and shall provide Lessor with certificates of insurance naming Lessor as an additional insured.
16. **Attorneys' Fees and Costs.** Should any dispute and/or legal action arise by reason of any default or breach on the part of Lessee in the performance of any of the provisions of this Lease Agreement, Lessee agrees to pay all reasonable attorneys' fees and costs incurred by Lessor in connection therewith including Lessor's attorneys' fees and costs incurred on appeal. It is agreed that the venue of any legal action brought under the terms of this Lease Agreement will be the First Judicial District, State of Alaska.
17. **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 Lease Agreement contains all the agreements between the parties, and there shall be no modifications of the agreements contained herein except by written instruments signed by both parties.
18. **Surrender of Leased Premises.** Upon termination of this Lease Agreement, Lessee agrees to peacefully quit and surrender the leased premises without notice, remove all of Lessee's personal property and leave the leased premises neat and clean. If Lessor elects to require Lessee to remove any alterations or improvements made by Lessee, then Lessee shall restore the leased premises to their previous condition.
19. **Binding on Heirs, Successors and Assigns.** The covenants and agreements of this Lease Agreement shall be binding upon the heirs, executors, administrators, successors and assigns of both parties hereto, except as hereinabove provided.
20. **Notice.** Any notice required to be given by either party to the other shall be deposited in the United States mail, postage prepaid, and addressed to Lessor at:

City of Thorne Bay
P.O. Box 19110
Thorne Bay, Alaska 99919,

or to Lessee at

Equinox Air, LLC
PO Box 19464
Thorne Bay, Alaska 99919

or at such other address as either party may designate in writing to the other.

21. **Time is of Essence.** Time is of the essence of this Lease Agreement.

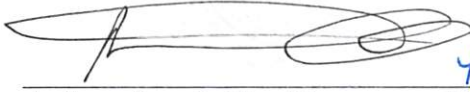
IN WITNESS WHEREOF, the parties hereto have executed this Lease Agreement as of the date first above written.

LESSOR:

LESSEE:

THE CITY OF THORNE BAY

Equinox Air, LLC



Anthony Lovell, Vice Mayor Date 4/10/20

Timber Pesterfield, Owner Date

ATTEST:



Caitlyn Sawyer, City Clerk/Treasurer Date 4/10/20