

CITY OF CORDOVA



LD-RFP-26-02

01/12/2026

NOTICE OF LAND DISPOSAL AND REQUEST FOR PROPOSALS

Request for Proposals (RFP) for Lot 2, Block 7, North Fill Development Park

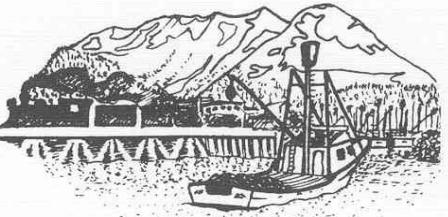
The City of Cordova (the “City”) is considering disposing of through either a Lease or Lease with Option to Purchase for Lot 2, Block 7, North Fill Development Park (the “Property”). The Property is 11,534 square feet and is zoned Waterfront Industrial District. In addition, please note that this property is sold in an As-Is, Where-Is, With all faults condition.

Proposals are due Wednesday February 11, 2026, at 5 PM. Proposals received after Wednesday February 11, 2026, at 5 PM will not be considered.

The RFP can be found on the Public Notice page of the City website or can be picked up at City Hall.



CITY OF CORDOVA



LD-RFP-26-02

01/12/2026

Request for Proposals for Lot 2, Block 7, North Fill Development Park

The City of Cordova (the “City”) is considering disposing of through either a Lease or Lease with Option to Purchase, for Lot 2, Block 7, North Fill Development Park (the “Property”). The Property is 11,534 square feet and is zoned Waterfront Industrial District. In addition, please note that this property is sold in an As-Is, Where-Is, With all faults condition.

Proposals are due Wednesday February 11, 2026, at 5 PM. Proposals received after Wednesday February 11, 2026, at 5 PM will not be considered.

INFORMATION TO PROPOSERS

Purchase - Fair Market Value: The fair market value of the Property is **\$171,395.24** and shall be the **minimum price** that the City is willing to accept for the purchase of the Property. If the successful proposal amount is greater than the minimum price, the winning proposal amount shall be the amount paid. Cordova Municipal Code (CMC) 7.40.110

Purchase - Deposit: All proposals shall include a deposit of **\$17,139.52**. In the event that a proposer is not awarded the Property, the City will reimburse the deposit to the proposer. The deposit from the winning proposer will be credited towards the costs associated with the disposal. In the event the successful proposer subsequently withdraws or otherwise abandons its proposal, the City will retain the proposer’s entire deposit. CMC 7.40.100 (B)

Lease – Fair Market Value: The fair market value for a lease of the Property is **\$11,997.67 annually or \$99.81 monthly** and shall be the **minimum price** that the City is willing to accept for the lease of the Property. If the successful proposal amount is greater than the minimum price, the winning proposal amount shall be the amount paid. Cordova Municipal Code (CMC) 7.40.110.

Lease – Deposit: All proposals shall include a deposit of **\$1,199.77**. In the event that a proposer is not awarded the Property, the City will reimburse the deposit to the proposer. The deposit from the winning proposer will be credited towards the costs associated with the disposal. In the event the successful proposer subsequently withdraws or otherwise abandons its proposal, the City will retain the proposer’s entire deposit. CMC 7.40.100 (B)

Land Disposal Fees: The proposer shall be responsible for all fees and costs the City incurs in connection with the disposal, including without limitation costs of advertising the RFP, appraisal fees, title report fees, attorney’s fees and costs, City Staff time, surveying and platting fees and costs, closing costs and escrow fees. CMC 7.40.100 (B)

Zoning: Proposers must comply with all applicable zoning requirements including the provisions of the attached chapter of City Code for the district. This Property is located within the **Waterfront Industrial District. CMC**

18.33. Other City codes may apply, proposers are encouraged to contact the City Planner to discuss the details of their specific plans.

Draft Agreements: The attached draft lease or draft lease with option to purchase are examples of what may be negotiated with the proposer that is awarded the Property. The attached agreement is for informational purposes only. The City reserves the right to include new or additional terms, remove terms, or modify any terms contained in the draft agreement. See Exhibits F & G.

Addenda: The City may issue addenda to this RFP. Addenda will be posted on the City Webpage with this RFP. **It is the responsibility of the proposer to ensure receipt of all addenda.** (<https://www.cityofcordova.net/>)

Proposals Subject to Laws & Regulations: The City will consider all proposals for the Property subject to any applicable laws and regulations, including disposal of real property located in CMC 7.40.

The Review Process: The Planning Commission will review all submitted proposals. The Planning Commission will then make a recommendation to the City Council. The City Council will then review the submitted proposals and reserves the right to reject any proposal, part of any proposal, or all proposals. The City Council may accept and negotiate with any proposer deemed most advantageous to the City of Cordova. The City Council will determine if the winning proposal will be a lease or purchase based on the winning proposals merits.

Property Condition: The City is disposing of the Property **AS-IS, WHERE-IS, WITH ALL FAULTS** and in its present condition, without any representations or warranties whatsoever, whether express, implied, or statutory, and subject to any liens and encumbrances of record. It is the responsibility of the proposer to understand all conditions of the Property.

Contact: For additional information or questions about the land disposal process, contact the City Planning Department at 1 (907) 424-6224, planning@cityofcordova.net, or schedule an in-person meeting.

ADDITIONAL REQUIRED INFORMATION:

Cordova Land Disposal Proposal Criteria (For Public Use)

Purpose

This is designed to help the public understand and apply the criteria used to evaluate land disposal projects in Cordova. The applicant will develop a detailed project proposal, supported by documents, to demonstrate how their project aligns with the city's goals and values. The attached rubric will be used to assess their proposal.

Grading Rubric

The attached grading rubric will be used to evaluate your project. Please ensure your proposal addresses all categories and includes the required deliverables as outlined above.

Category	Criteria	Max Points
1. Alignment with the Comprehensive Plan	Supports Cordova's goals and aligns with specific strategies	20
2. Community Benefits	Improves quality of life, enhances architectural character, and incorporates community input	20
3. Economic Development	Creates jobs, provides financial benefits, and includes a business plan	20
4. Environmental Stewardship	Includes eco-friendly practices and promotes sustainability	10
5. Proposer's Experience	Demonstrates track record and local knowledge	10
6. Feasibility and Risk Management	Provides realistic timeline and risk mitigation strategies	10
7. Compliance with Local Laws	Adheres to land disposal and zoning regulations	20
Total		120

Final Submission: Your completed proposal, deposit, and supporting documents are to be receive by the due date. Late submissions will not be accepted.

Assignment Overview

You are creating a detailed project proposal for land development in Cordova. Your proposal must address the following categories:

1. Alignment with the Cordova Comprehensive Plan (20 points)

- Describe how your project supports Cordova's goals for economic growth, sustainability, and cultural preservation. Provide specific examples. (12 pts)
- Explain how your project aligns with strategies for housing, public spaces, or business development as outlined in the Comprehensive Plan. (8 pts)

Deliverables:

- A written description explaining the project's alignment with the Comprehensive Plan.

- Supporting documents or visuals (e.g., maps, renderings).

2. Community Benefits (20 points)

- Explain how your project improves the quality of life for Cordova residents, including access to housing, parks, or public spaces. (10 pts)
- Describe how your project enhances the architectural character of the community. (5 pts)
- Provide evidence of community engagement, such as surveys, public input sessions, or testimonials. (5 pts)

Deliverables:

- A written explanation of community benefits.
- Documentation of community engagement activities (e.g., concept designs, meeting notes, survey results, community support letters).

3. Economic Development (20 points)

- Detail how your project creates jobs (excluding owner(s)), supports local businesses, or attracts investment opportunities. (10 pts)
- Provide an estimated monetary value of the completed project and its long-term financial benefits for Cordova (e.g., increased tax revenue, reduced city costs). (5 pts)
- Include a comprehensive business plan that outlines funding sources and financial projections. (5 pts)

Deliverables:

- A business plan with financial details.
- Supporting documents (e.g., spreadsheets, charts).

4. Environmental Stewardship (10 points)

- Outline the eco-friendly practices included in your project and how they comply with environmental regulations and explain how the project promotes long-term sustainability and resilience. (10 pts)

Deliverables:

- A sustainability report.
- Evidence of how you will comply with environmental standards (e.g., certifications you will obtain, or detailed processes you will comply with).

5. Proposer's Experience (10 points)

- Highlight your track record with successful projects. (similar projects preferred) (5 pts)
- Demonstrate your understanding of Cordova's community and partnerships with local stakeholders. (5 pts)

Deliverables:

- A professional portfolio showcasing past projects.
- Letters of support or partnership agreements.

6. Feasibility and Risk Management (10 points)

- Provide a realistic project timeline with milestones. (5 pts)
- Identify (5) five potential risks and propose mitigation strategies. (5 pts)

Deliverables:

- A detailed project timeline.

- A risk management plan.

7. Compliance with Local Laws and Ordinances (20 points)

- Demonstrate how your project complies with Cordova's land disposal and zoning regulations. (5 pts)

Deliverables:

- References to relevant laws or ordinances. [CMC 7.40 Land Disposal](#) and [CMC Title 18 Zoning](#).
- Site Development Plan (see Attachment D for reference) showing building type, how you will meet the setback requirements, height limit/stories, parking, access to lot, drainage, and all other requirements of the zoning code in that district, etc. (15pts)

ATTACHMENTS

Attachment A: Criteria Used When Evaluating Each Submitted Proposal

Attachment B: Plat of 86-6 North Fill Development Park

Attachment C: Location Map Showing the Subject Property

Attachment D: Sample Site Plan

Attachment E: Waterfront Industrial District CMC 18.33

Attachment F: Draft Lease

Attachment G: Draft Lease with Option to Purchase Agreement

LD-RFP-26-02
SEALED PROPOSAL FORM

All proposals including deposit must be received by the Planning Department by Wednesday February 11, 2026, at 5 PM.

Property: Lot 2, Block 7, North Fill Development Park

Name of Proposer: _____

Name of Organization: _____

Address: _____

Phone #: _____

Email: _____

Purchase - Minimum Price \$171,395.24

Purchase - Proposed Price \$ _____

Lease - Minimum Price \$999.81 Monthly

Lease - Proposed Price \$ _____

SUBMITTAL OF PROPOSAL

Deliver your proposal to the front desk at City Hall with a check or cash.

Or mail proposals with a check or cash to:
(must be postmarked before due date and time)

City of Cordova
Attn: Planning Department
P.O. Box 1210
Cordova, Alaska 99574

Or e-mail proposals to planning@cityofcordova.net. The email subject line shall be “Proposal for Lot 2, Block 7, North Fill Development Park” and the proposal shall be attached to the email as a PDF file. If submitting via e-mail cash or check must be in hand by the City office before the due date to confirm the proposal as received.

Proposals received after Wednesday February 11, 2026, at 5PM will not be considered.

**NOTE: The payment must be made via check or cash (cards are not accepted) to our office before the due date to confirm the proposal submission. If proposal is not submitted and confirmed with a payment, it will be discarded. Proposal material received after the due date will not be included in any packet.*

Attachment A:

**Criteria Used When the Planning Commission is
Evaluating Each Submitted Proposal**

Uniform Scoring Criteria for Project Proposals in Cordova

Purpose

This scoring framework ensures fair, unbiased evaluation of project proposals, aligning with Cordova's community goals as outlined in the [Comprehensive Plan](#), [Municipal Code](#), and the original RFP criteria. The system provides clear standards to prioritize projects that best support Cordova's vision and values.

Scoring Guide

- Each section is assigned a maximum number of points, with evaluators scoring based on the standards defined above.
- Total possible points: **120**.
- To ensure fairness and transparency, evaluators should provide written justification for each score awarded, referencing specific criteria and evidence from the proposal.

Final Evaluation

- Proposals with the highest total scores will be prioritized, ensuring that the selected project aligns with Cordova's goals and provides maximum benefit to the community.
- Tie-breaking mechanism: In the event of a tie, proposals with higher scores in "Alignment with Comprehensive Plan Goals" and "Public Benefit and Community Impact" will take precedence.

This updated scoring framework ensures that all project proposals are evaluated for compliance with the [Cordova Municipal Code](#), particularly concerning land disposal processes and zoning regulations, thereby aligning with the city's legal and community standards.

Scoring Framework in Table Format

Criteria	Description	Points
1. Alignment with Comprehensive Plan Goals		25
- Consistency with Vision and Goals	Does the project support the vision and goals outlined in the Comprehensive Plan? Examples: economic growth, sustainability, and cultural preservation.	15
- Support for Key Strategies	Does the project align with specific strategies and actions identified in the Comprehensive Plan?	10
2. Public Benefit and Community Impact		20

Criteria	Description	Points
- Enhancement of Quality of Life	How does the project improve residents' daily lives (e.g., recreation, housing, public spaces)?	10
- Enhanced Design	Does the project promote enhanced architectural design for community members?	5
- Community Engagement	Was community input sought and incorporated into the proposal?	5
3. Economic Development and Financial Viability		20
- Economic Growth	Does the project directly create jobs, stimulate local business, or attract investment? (Included business plan is preferred)	10
- Financial Feasibility	Given the information in the proposal is this project viable costs versus income generation in the business plan?	5
- Economic Benefit to City	Will the project generate long-term financial benefits (e.g., increased tax revenue, reduced city costs)?	5
4. Sustainability and Environmental Stewardship		15
- Environmental Impact	Does the project prioritize environmental sustainability and compliance with regulations?	10
- Long-Term Viability	Will the project have sustainable benefits and be resilient to future challenges?	5
5. Proposer Qualifications and Experience		10
- Track Record	Does the proposer have a history of successful, similar projects?	5
- Local Knowledge and Partnerships	Does the proposer demonstrate an understanding of Cordova's community and collaborate with local stakeholders?	5
6. Implementation Plan and Risk Management		10
- Feasibility and Timeline	Is the proposed timeline realistic and achievable?	5
- Risk Identification and Mitigation	Are potential risks identified with clear mitigation strategies?	5
7. Adherence to Municipal Code and Legal Compliance		20
- Compliance with Land Disposal Process	Does the project adhere to the requirements in <u>Cordova Municipal Code Chapter 7.40</u>	5
- Zoning and Land Use Regulations	Does the project comply with all relevant zoning and land use regulations as outlined in the <u>Municipal Code Title 18 Zoning</u>	15

Attachment B:
Plat 86-6 of North Fill Development Park

CURVE DATA

CURVE NO.	RADIUS	△	ARC	TANGENT	CHORD	CHORD BEARING
1	25.00'	96° 56' 15"	42.30'	28.23'	37.43'	N 84° 24' 52"E
2	25.00'	83° 03' 45"	36.24'	22.14'	33.15'	N 80° 35' 08"W
3	25.00'	90° 00' 00"	39.27'	25.00'	35.36'	N 80° 56' 45"E
4	25.00'	90° 00' 00"	39.27'	25.00'	35.36'	N 9° 03' 15"W
5	25.00'	90° 00' 00"	39.27'	25.00'	35.36'	N 80° 56' 45"E
6	25.00'	90° 00' 00"	39.27'	25.00'	35.36'	N 9° 03' 15"W
7	25.00'	90° 00' 00"	39.27'	25.00'	35.36'	N 68° 40' 52"E
8	25.00'	77° 44' 07"	33.92'	20.15'	31.38'	N 15° 11' 12"W
9	25.00'	86° 29' 36"	37.74'	23.51'	34.26'	N 82° 41' 57"E
10	25.00'	90° 00' 00"	39.27'	25.00'	35.36'	N 5° 32' 51"W
11	25.00'	90° 00' 00"	39.27'	25.00'	35.36'	N 84° 27' 09"E
12	25.00'	105° 46' 17"	46.15'	33.04'	39.87'	N 76° 34' 01"E
13	25.00'	90° 00' 00"	39.27'	25.00'	35.36'	N 5° 32' 51"W
14	25.00'	90° 00' 00"	39.27'	25.00'	35.36'	N 43° 04' 16"E
15	351.48'	15° 14' 25"	93.49'	47.02'	93.22'	N 3° 20' 50"E
16	351.48'	20° 59' 40"	128.79'	65.13'	128.07'	N 21° 27' 53"E
17	351.48'	7° 29' 26"	45.95'	23.01'	45.92'	N 35° 42' 26"E
18	25.00'	90° 00' 00"	39.27'	25.00'	35.36'	N 9° 03' 15"W
19	25.00'	90° 00' 00"	39.27'	25.00'	35.36'	N 80° 56' 45"E

CERTIFICATE OF OWNERSHIP AND DEDICATION

We hereby certify that we are the owners of the property shown and described herein. We hereby request approval of this plat, showing such easements for public utilities, roadways and alleys dedicated by us for public use.

CITY OF CORDOVA

OWNER
Richard J. Toland
AUTHORIZED OFFICIAL

NOTARY'S ACKNOWLEDGEMENT

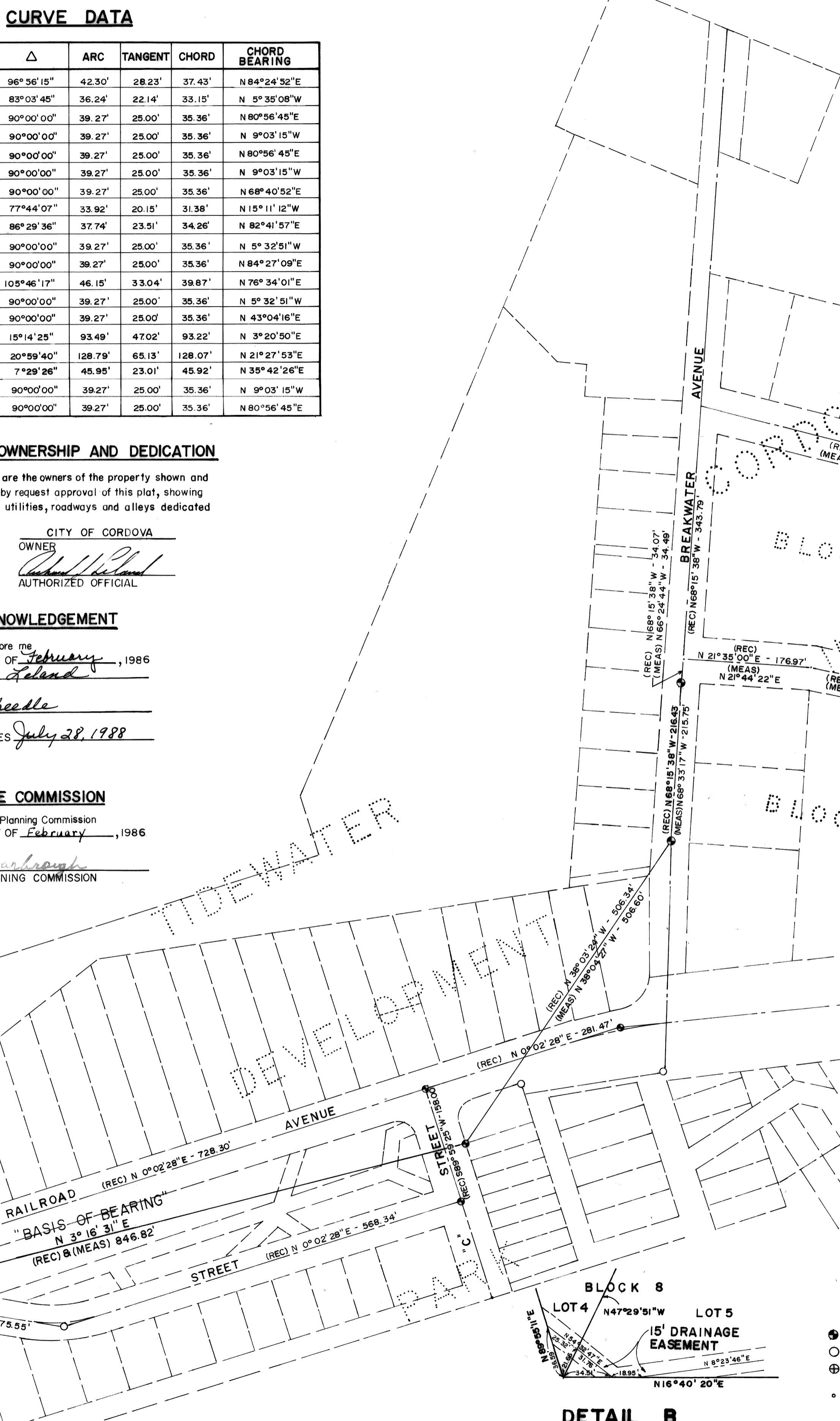
Subscribed and sworn before me
THIS 28th DAY OF February, 1986
FOR Richard J. Toland

Barbara A. Beedle
NOTARY PUBLIC
MY COMMISSION EXPIRES July 28, 1988

APPROVAL BY THE COMMISSION

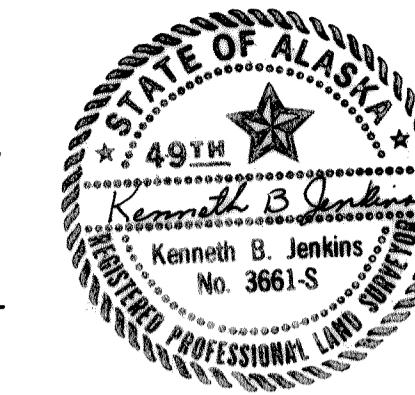
Plat approved by the City Planning Commission
THIS 2nd DAY OF February, 1986

Travis L. Yarborough
CHAIRMAN, CITY PLANNING COMMISSION



SURVEYOR'S CERTIFICATE

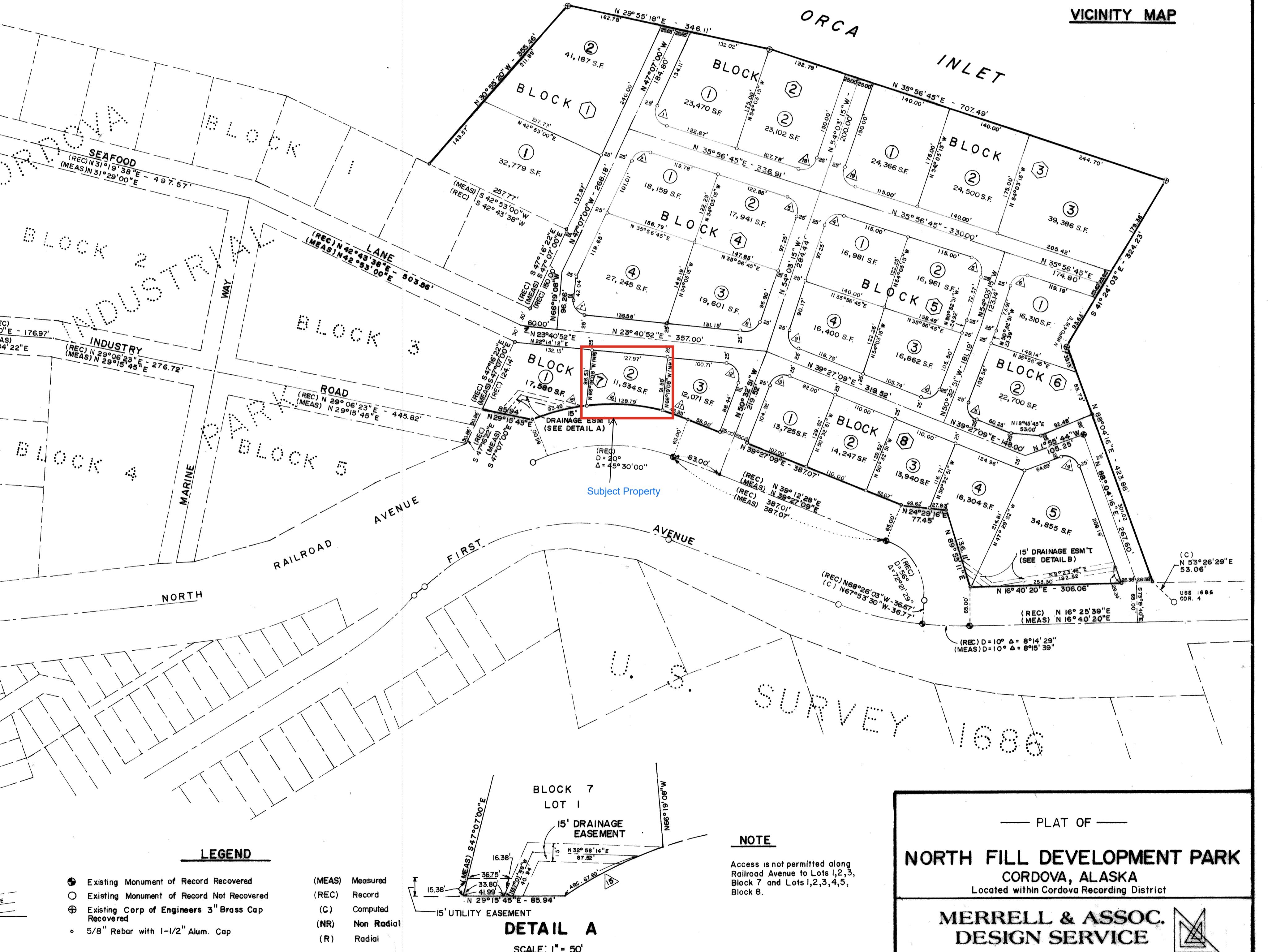
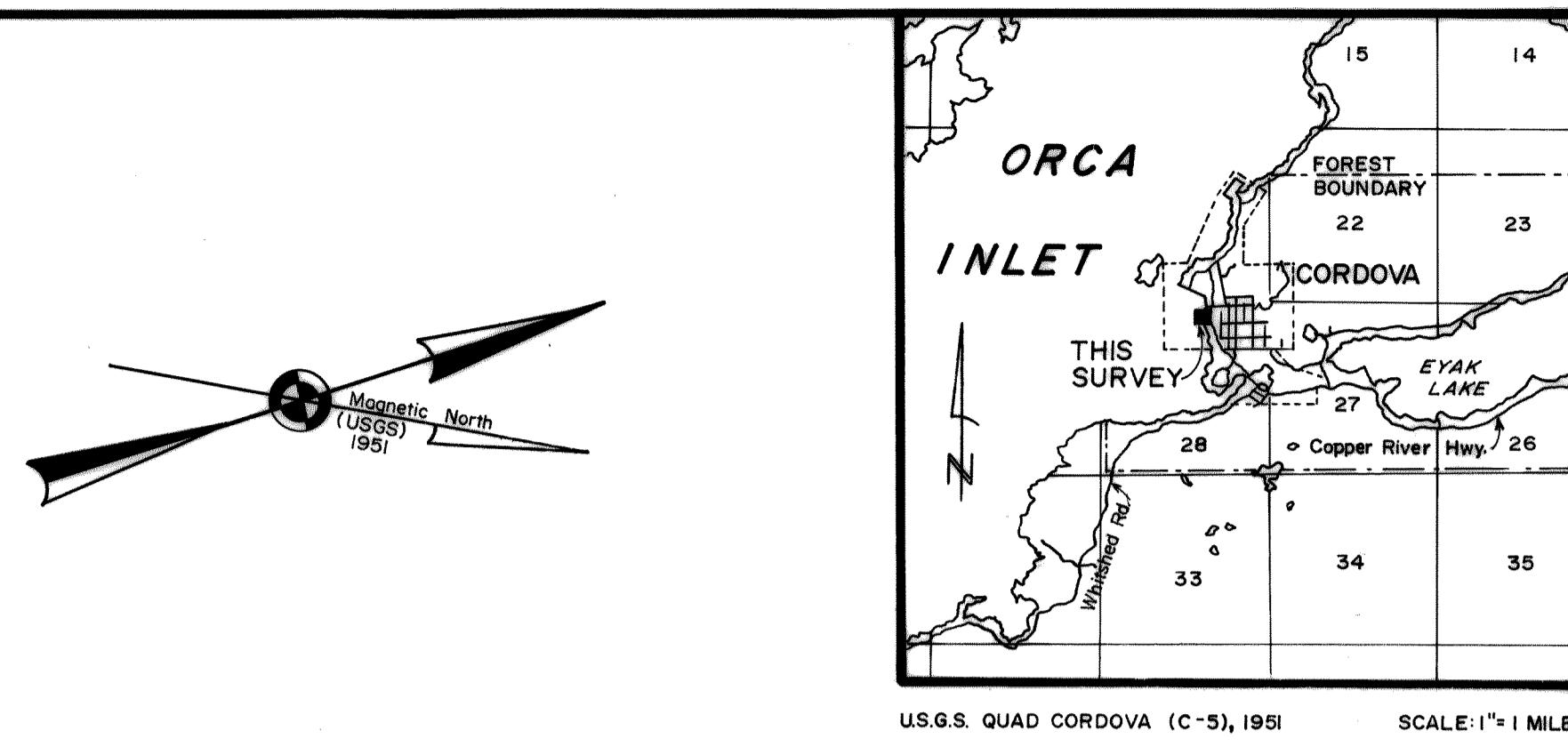
I hereby certify that I am properly registered and licensed to practice land surveying in the State of Alaska, that this plat represents a survey made by me or under my direct supervision, that the monuments shown herein actually exist as described, and that all dimensions and other details are correct.



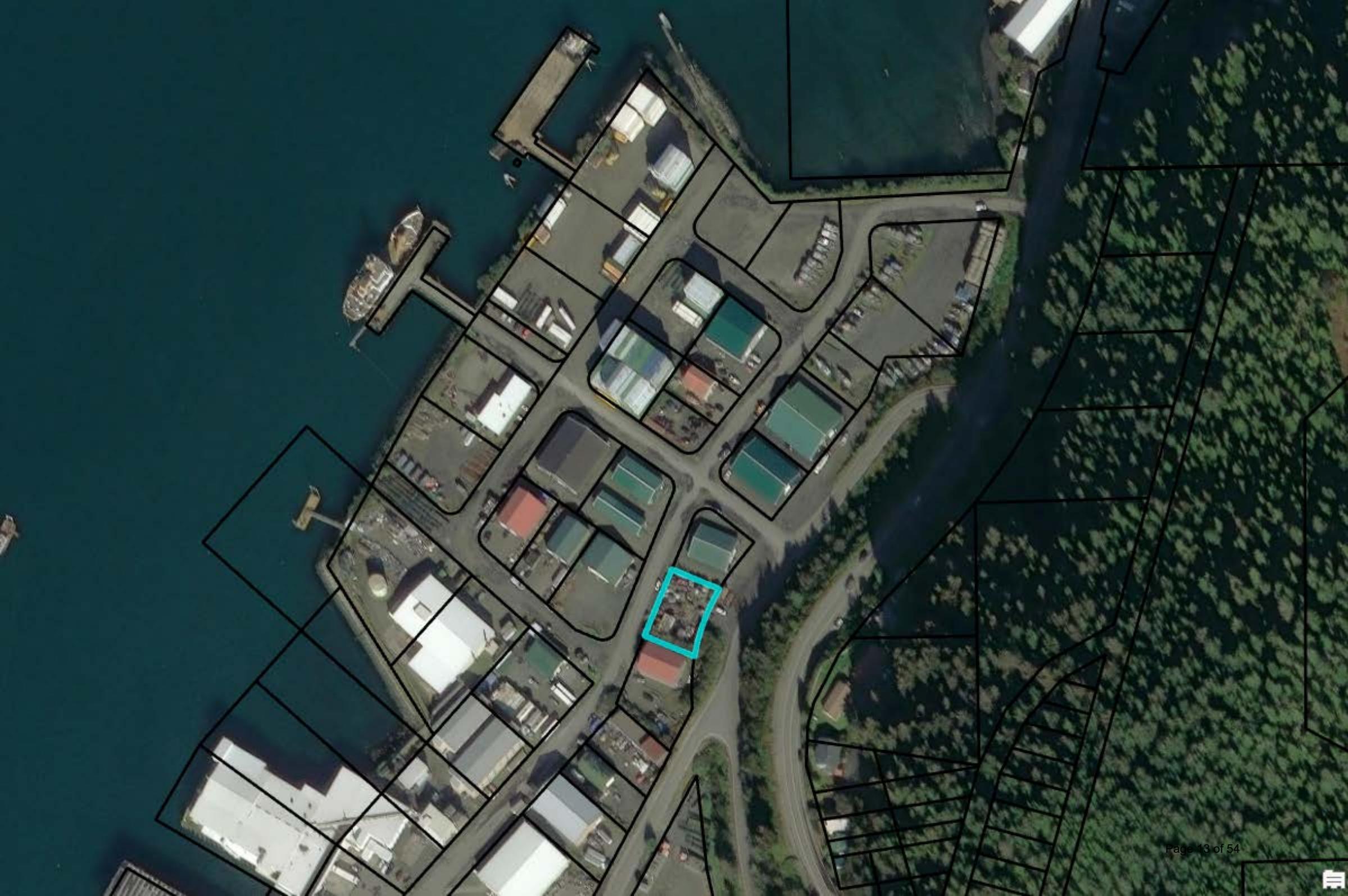
August 12, 1986 3661-S
Date Registration Number

Kenneth B. Jenkins
Registered Land Surveyor

86-6
RECORDED - FILED 20
CORDOVA REC. DIST.
DATE August 14 1986
TIME 10:06
NAME KENNETH JENKINS
PHONE 463-1055
ACCT. # 98509



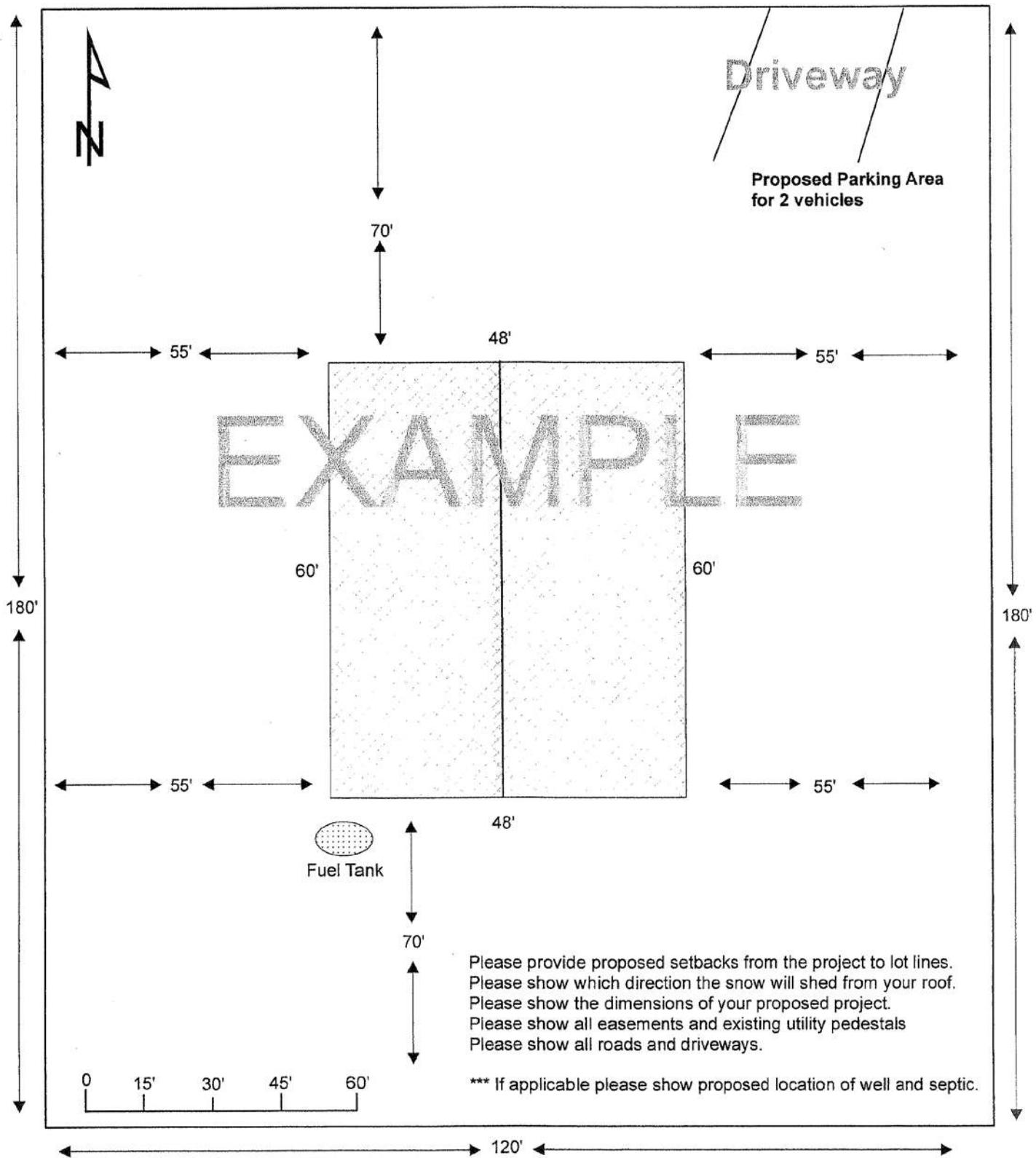
Attachment C:
Location Map Showing the Subject Property



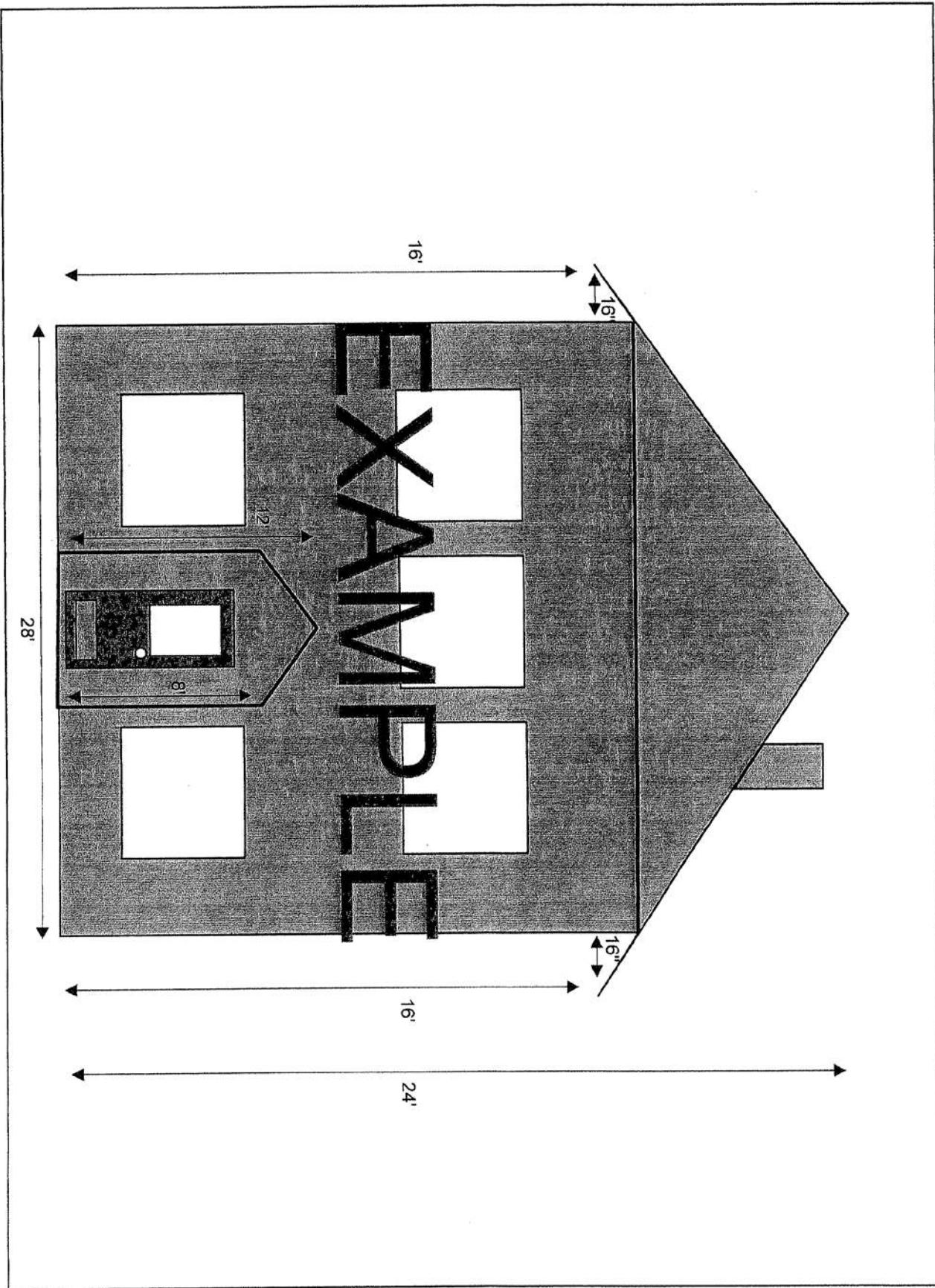


Attachment D:
Sample Site Plan

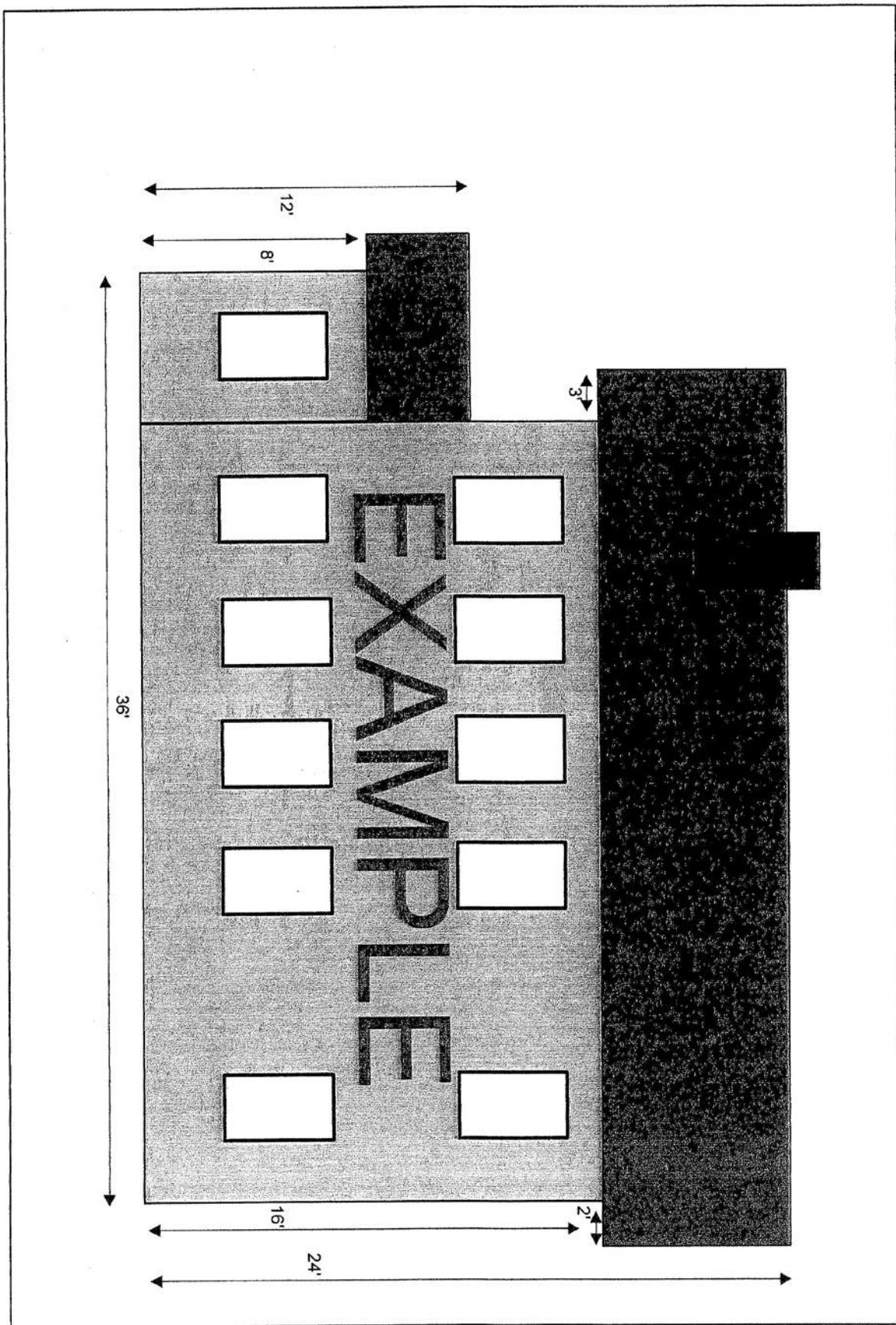
Plot Plan Example

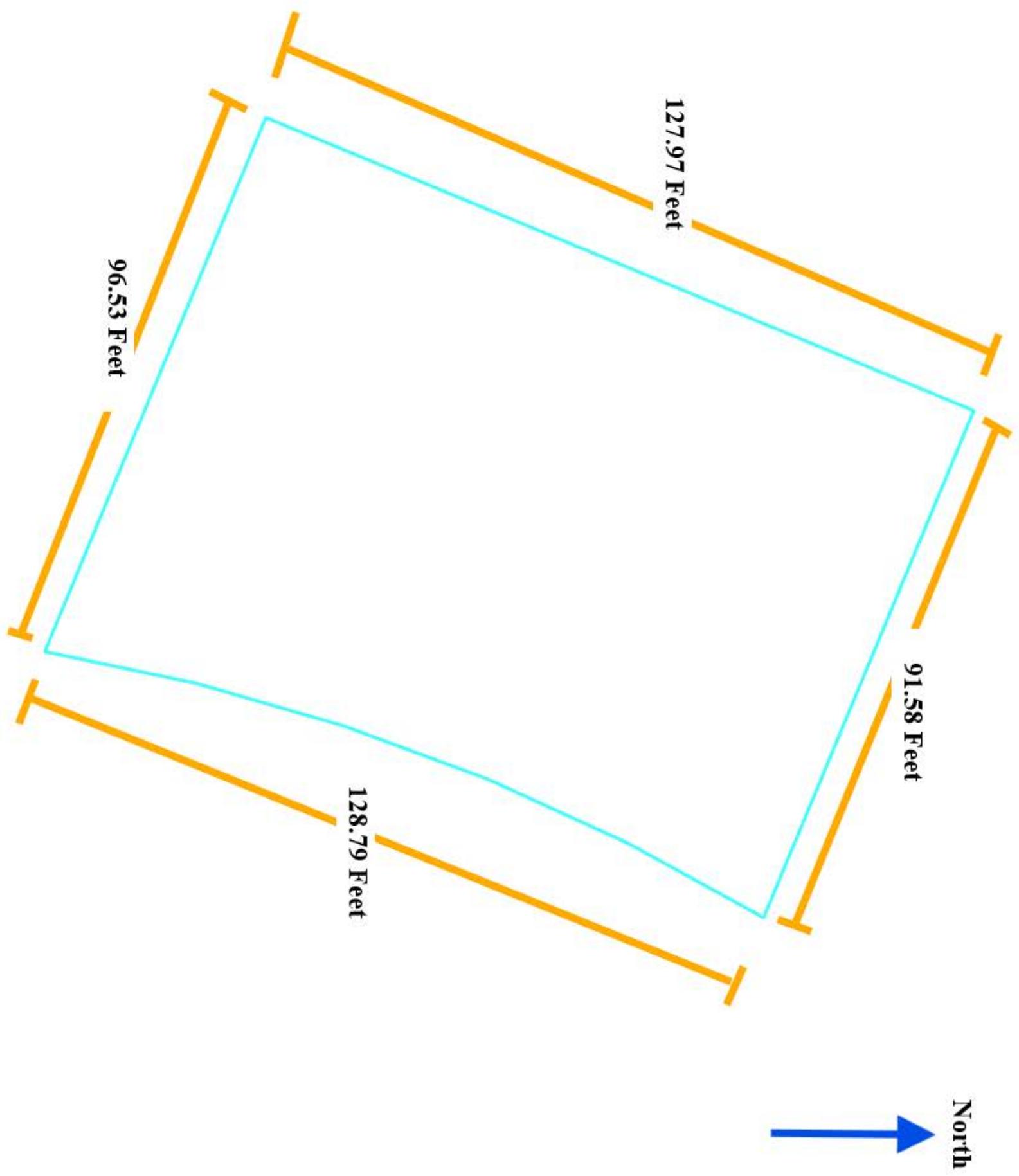


Front Elevation Example



Side Elevation Example





Attachment E:
Cordova Municipal Code 18.33
Waterfront Industrial District

Chapter 18.33 - WATERFRONT INDUSTRIAL DISTRICT

18.33.010 - Purpose.

- A. The Waterfront Industrial District is intended to include land with direct access or close proximity to navigable tidal waters within the City. Uses within this district are intended to be marine-dependent or marine-oriented, and primarily those uses which are particularly related to location or commercial enterprises that derive an economic benefit from a waterfront location.

- B. The Waterfront Industrial District may also be referred to as the WI District in this Code.

(Ord. 634 (part), 1988).

(Ord. No. 1201, § 10, 7-6-2022)

18.33.020 - Permitted principal uses and structures.

The following are the permitted principal uses and structures in the waterfront industrial district:

- A. Marine sales;
- B. Open wet moorage;
- C. Covered wet moorage;
- D. Passenger staging facility;
- E. Haulout facilities;
- F. Marine construction, repair and dismantling;
- G. Cargo terminal;
- H. Cargo handling and marine-oriented staging area;
- I. Fish and seafood processing;
- J. Warehousing and wholesaling;
- K. Open storage for marine-related facilities;
- L. Fuel storage and sales.

(Ord. 634 (part), 1988).

18.33.030 - Permitted accessory uses and structures.

- A. The following accessory uses and structures are permitted in the WI District:

1. Bunkhouses used in conjunction with permitted principal uses;
- 2.

Residential dwelling for watch person or caretaker employed on the premises, or owner-operator and members of the owner-operator's family, used in conjunction with permitted principal uses;

3. Retail business when use is accessory to a permitted principal use.

(Ord. 634 (part), 1988).

(Ord. No. 1201, § 11, 7-6-2022)

18.33.040 - Conditional uses and structures.

Subject to the requirements of the conditional use standards and procedures of this title, the following uses and structures may be permitted in the WI district:

- A. Log storage and rafting;
- B. Timber and mining manufacturing.

(Ord. 634 (part), 1988).

18.33.050 - Prohibited uses and structures.

Any use or structure that is not a permitted use, accessory use or conditional use under this chapter is prohibited in the WI District.

(Ord. 634 (part), 1988).

(Ord. No. 1201, § 12, 7-6-2022)

18.33.060 - Setbacks.

- A. The minimum setbacks in the WI District are as follows:
 1. Front yard: 20 Feet.
 2. Side yard and rear yard: None.

(Ord. 634 (part), 1988).

(Ord. No. 1201, § 13, 7-6-2022)

18.33.070 - Reserved.

Editor's note— Ord. No. 1201, § 34, adopted July 6, 2022, repealed § 18.33.070, which pertained to lot coverage and derived from Ord. 634 (part), 1988.

18.33.080 - Height.

The maximum height of buildings and structures in the WI District is three stories or 50 Feet.

(Ord. 634 (part), 1988).

(Ord. No. 1201, § 14, 7-6-2022)

18.33.090 - Off-street parking and loading.

A. Off-street Parking and Loading. The requirements for off-street parking and loading in the waterfront industrial district shall be as set forth in Chapter 18.48 of this code.

(Ord. 634 (part), 1988).

18.33.100 - Minimum lot requirements.

A. The minimum lot requirements in the WI District are as follows:

1. Lot width: 100 Feet
2. Lot size: 10,000 Feet.

(Ord. 634 (part), 1988).

(Ord. No. 1201, § 15, 7-6-2022)

18.33.110 - Signs.

A. Signs. Signs may be allowed in the waterfront industrial district subject to requirements in Chapter 18.44 of this Code.

(Ord. 634 (part), 1988).

(Ord. No. 1201, § 16, 7-6-2022)

18.33.120 - Floor elevations.

A. Minimum Finished Floor Elevations. In the waterfront industrial district, the following minimum finished floor elevations for the ground floor shall be adhered to:

North Fill Development Park

<u>Block 1</u>	
Lot 1	27.00'
Lot 2	26.50'
Lot 3	27.25'

<u>Block 2</u>	
Lot 4	27.25'
Lot 1	26.50'
<u>Block 3</u>	
Lot 2	26.25'
Lot 1	26.50'
<u>Block 4</u>	
Lot 1	27.25'
Lot 2	27.25'
Lot 3	27.25'
Lot 4	27.25'
Lot 5	26.25'
<u>Block 5</u>	
Lot 1	27.25'
Lot 2	27.25'
<u>Block 6</u>	
Lot 2	26.50'
Lot 1	26.25'
<u>Block 7</u>	

Lot 2	26.50'
Lot 3	26.25'
Lot 1	26.75'
Lot 3	27.25'

Block 8

Lot 1	27.00'
Lot 2	26.75'
Lot 3	26.50'
Lot 4	26.25'

Note: The elevation datum used is based on the following described bench mark:

USC & GS Standard Brass Disk Located in Sidewalk Adjacent to Fish Game Building near Southwest Corner of Intersection Railroad Avenue and Breakwater Avenue. Elevation 40.40 Above M.L.L.W.

(Ord. 634 (part), 1988).

18.33.130 - Commission site plan review—Required.

- A. Any construction, modification or improvement in the Waterfront Industrial District shall be subject to a site plan review by the Planning Commission under Section 18.42.020 of this Code.
- B. No site plan shall be approved for the Waterfront Industrial District unless any exterior siding or roof on any building or structure is finished in earthtone colors as those colors are identified by the Planning Director.

(Ord. 634 (part), 1988).

(Ord. No. 1201, § 17, 7-6-2022)

Attachment F:
DRAFT Lease

DRAFT

CITY OF CORDOVA **Cordova, Alaska**

LEASE

THIS LEASE ("Lease") by and between the **CITY OF CORDOVA** ("Landlord"), a municipal corporation organized and existing under the laws of the State of Alaska (the "City"), and the **XXX** doing business in Cordova, Alaska ("Tenant").

RECITALS

WHEREAS, the City owns that certain parcel of land and all improvements thereon in Cordova, Alaska generally described as a portion of Lot X, Block X, Tidewater Development Park, Plat XX, located within Cordova Recording District, Cordova Alaska; and

WHEREAS, Tenant desires to lease the building and the dock underneath the building (referred to hereinafter as the "Premises") from the City, and Landlord desires to lease the Premises to Tenant, on the terms and conditions set forth herein; and

WHEREAS, the Cordova City Council ("Council") has approved the lease of the Premises from the City to Tenant in accordance with the Cordova City Charter §5-17 and Chapter 5.22 of the Cordova Municipal Code (hereinafter referred to as the "Code" or "CMC").

NOW, THEREFORE, in consideration of the Premises and the mutual covenants of the parties hereto, it is agreed as follows:

1. LEASE OF PREMISES

Subject to the terms and conditions set forth herein, the City hereby leases to Tenant and Tenant hereby leases from the City, the Premises.

2. LEASE TERM

The term of this Lease shall be three (3) years, commencing on January 1, 2026, (the "Commencement Date") and expiring three (3) years later, on December 31, 2028, unless earlier terminated in accordance with the terms of this Lease.

3. RENT

A. Base Rent. The rent during the term of this Lease shall be XXX Dollars and XX Cents (\$X,XXX.XX) annually ("Base Rent"), which shall be due and payable in advance on the Commencement Date of this agreement. Base Rent shall be paid to the City in lawful money of the United States without abatement, deduction or set-off for any reason whatsoever, at the address provided for notice to the City set forth in Section 20.E of this Lease, or at any other place that the City may from time to time direct in writing. Base Rent shall be paid promptly when due without notice or demand therefor. The parties intend the Base Rent to be absolutely net to the City. All costs, expenses and obligations of every kind and nature whatsoever in connection with or relating to the Premises shall be the obligation of, and shall be paid by, Tenant.

B. Additional Charges. In addition to the Base Rent, Tenant acknowledges and agrees that Tenant is obligated to pay and shall pay, before delinquency and without reimbursement, all costs, expenses and obligations of every kind and nature whatsoever in connection with or relating to the Premises or the activities conducted on the Premises, including without limitation those costs, expenses and obligations identified in Section 7 and all other sums, costs, expenses, taxes (including sales tax) and other payments that Tenant assumes or agrees to pay under the

provisions of this Lease ("Additional Charges").

C. Late Penalty Provision. Rent not paid within ten (10) days of the due date shall be assessed a late charge of ten percent (10%) of the delinquent amount; such charge shall be considered liquidated damages and shall be due and payable as additional rent. In the event the late charge assessment above exceeds the maximum amount allowable by law, the amount assessed will be adjusted to the maximum amount allowable by law.

D. Adjustment of Base Rent. Beginning on the first anniversary of the Commencement Date, Base Rent shall be adjusted annually by the Consumer Price Index (CPI-U) for the Anchorage, Alaska metropolitan area, as computed and published by the United States Bureau of Labor Statistics. Annual Base Rent adjustments will be equal to the percentage change between the then-current CPI-U and the CPI-U published for the same month during the previous year. No adjustments to Base Rent shall cause a reduction in the Base Rent. The City is not required to give advance written notice of the increase for the adjustment to be effective.

4. USES AND CONDITION OF PREMISES

A. Authorized Uses. Use of the Premises shall be limited to use as Tenant's storage, and the Premises shall not, without prior written consent of the Landlord, be used for any other purposes. Landlord expressly reserves the right to terminate this lease in the event Tenant fails to operate said use for a period of eighteen consecutive months.

B. Inspections. The City will provide Tenant with at least 24-hours' notice before inspecting the Premises, except no notice will be provided when the public health or safety or preservation of the Premises requires immediate inspection. The City shall not be liable in any manner for any inconvenience, disturbance, loss of business, nuisance or other damage arising out of the City's entry onto the Premises, except for damage resulting directly from negligent acts of the City or its authorized representatives or agents.

C. Compliance with Laws. Tenant shall maintain and repair the Premises in compliance with all applicable laws, regulations, ordinances, rules, orders, permits, licenses and other authorizations. Tenant shall not use or permit the use of the Premises for any purpose prohibited by law or which would cause a cancellation of any insurance policy covering the Premises. Tenant shall not leave the Premises unoccupied or vacant without the City's prior written consent. Tenant shall not cause or permit any Hazardous Material (as defined in Section 9.B of this Lease) to be brought upon, kept, or used in, on or about the Premises except for such Hazardous Material as is necessary to conduct Tenant's authorized uses of the Premises. Any such Hazardous Material brought upon, kept, or used in, on or about the Premises shall be used, kept, stored, and disposed of in a manner that complies with all environmental laws and regulations applicable to Hazardous Material. Tenant shall not cause or allow the release or discharge of any other materials or substances that are known to pose a hazard to the environment or human health.

D. Tenant's Acceptance of Premises. Tenant has inspected the Premises to its complete satisfaction and is familiar with its condition, and the City makes no representations or warranties with respect thereto, including but not limited to the condition of the Premises or its suitability or fitness for any use Tenant may make of the Premises. Tenant accepts the Premises AS IS, WHERE IS, WITH ALL FAULTS. No action or inaction by the Council, the City Manager, or any other officer, agent or employee of the City relating to or in furtherance of the lease of the Premises shall be deemed to constitute an express or implied representation or warranty that the Premises, or any part thereof, is suitable or usable or any specific purpose whatsoever. Any such action or inaction shall be deemed to be and constitute performance of a discretionary policy and planning function only, and shall be immune and give no right of action as provided in Alaska Statute §9.65.070, or any amendment thereto.

E. The City may terminate this Lease for any or no reason upon (30) days' written notice to the Tenant.

5. REPRESENTATIONS AND WARRANTIES

Tenant represents and warrants to the City that Tenant is not delinquent in the payment of any obligation to the City, and Tenant has not previously breached or defaulted in the performance of a material contractual or legal obligation to the City, which breach or default has not been remedied or cured.

6. ASSIGNMENTS AND SUBLetting: SUBORDINATION

Tenant shall not assign or otherwise transfer this Lease or any interest herein or sublet the Premises or any portion thereof, or permit the occupancy of any part of the Premises by any other person or entity, without the prior written consent of the City, which consent the City may withhold in its absolute discretion. The City shall not be required to subordinate this Lease or the City's interest in the Premises to the interest of any other person or entity.

7. OPERATIONS, MAINTENANCE, UTILITIES, TAXES AND ASSESSMENTS

Tenant shall, at Tenant's sole cost and expense, be solely responsible for: (1) the maintenance and repair of the Premises and shall not commit or allow any waste upon the Premises; (2) obtaining any and all permits and approvals necessary for Tenant's use of the Premises; (3) all utilities and services needed for Tenant's use of the Premises; (4) all taxes and assessments levied against the Premises, and Tenant agrees to pay all such taxes and assessments as and when they become due, including but not limited to all utility bills and special assessments levied and unpaid as of the date of this Lease or hereafter levied for public improvements; (5) all licenses, excise fees, and occupation taxes with respect to the business and activities conducted on the Premises; (6) all real property taxes, personal property taxes, and sales taxes related to the Premises or Tenant's use or occupancy thereof; and (7) any taxes on the leasehold interest created under this Lease.

8. LIENS

Tenant will suffer no lien or other encumbrance to attach to the Premises, including without limitation mechanic's or materialman's liens, sales tax liens under CMC §5.40.125, or property tax liens under CMC §5.36.260. If the City posts any notice of non-responsibility on the Premises, Tenant will ensure that the notice is maintained in a conspicuous place.

9. INDEMNIFICATION

A. General Indemnification. Tenant shall defend, indemnify and hold the City and its authorized representatives, agents, officers, and employees harmless from and against any and all actions, suits, claims, demands, penalties, fines, judgments, liabilities, settlements, damages, or other costs or expenses (including, without limitation, attorney's fees, court costs, litigation expenses, and consultant and expert fees) resulting from, arising out of, or related to Tenant's occupation or use of the Premises or the occupation or use of the Premises by Tenant's employees, agents, servants, customers, contractors, subcontractors, sub-lessees or invitees, including but not limited to all claims and demands arising out of any labor performed, materials furnished, or obligations incurred in connection with any improvements, repairs, or alterations constructed or made on the Premises and the cost of defending against such claims, including reasonable attorney fees. In the event that such a lien is recorded against the Premises, Tenant shall, at Tenant's sole expense within ninety (90) days after being served with written notice thereof, protect the City against said lien by filing a lien release bond or causing the release of such lien.

B. Environmental Indemnification. Tenant has had full opportunity to examine the Premises for the presence of any Hazardous Material (as hereafter defined) and accepts the Premises AS IS, WHERE IS, WITH ALL FAULTS. Tenant releases the City and its authorized representatives, agents, officers, and employees from any and all actions, suits, claims, demands, penalties, fines, judgments, liabilities, settlements, damages, or other costs or expenses (including, without limitation, attorney's fees, court costs, litigation expenses, and consultant and expert fees) arising during or after the term of this Lease, that result from the use, keeping, storage, or disposal of Hazardous Material in, on or about the Premises by Tenant, or that arise out of or result from Tenant's occupancy or use of the Premises or the use or occupancy of the Premises by Tenant's employees, agents, servants, customers, contractors, subcontractors, sub-lessees, invitees or authorized representatives. This release includes, without limitation, any and all costs incurred due to any investigation of the Premises or any cleanup, removal, or restoration mandated by a federal, state, or local agency or political subdivision, or by law or regulation. Tenant agrees that it shall be fully liable for all costs and expenses related to the use, storage, and disposal of Hazardous Material generated, kept or brought on the Premises by Tenant, its employees, agents, servants, customers, contractors, subcontractors, sub-lessees, invitees or authorized representatives.

Tenant shall defend, indemnify, and hold the City and its authorized representatives, agents, officers, and

employees harmless from and against any claims, demands, penalties, fines, judgments, liabilities, settlements, damages, costs, or expenses (including, without limitation, attorney's fees, court costs, litigation expenses, and consultant and expert fees) of whatever kind or nature, known or unknown, contingent or otherwise, arising in whole or in part from or in any way related to (i) the presence, disposal, release, or threatened release of any such Hazardous Material which is on or from the Premises and subsequently enters the soil, water, ground water, vegetation, buildings, personal property, persons, animals, or otherwise surrounding the Premises; (ii) any personal injury or property damage arising out of or related to such Hazardous Material; (iii) any lawsuit brought or threatened, settlement reached, or government order relating to such Hazardous Material; and (iv) any violation of any laws applicable to such Hazardous Material; provided, however, that the acts giving rise to the claims, demands, penalties, fines, judgments, liabilities, settlements, damages, costs, or expenses arise in whole or in part from the use of, operations on, or activities on the Premises by Tenant or its employees, agents, servants, customers, contractors, subcontractors, sub-lessees, invitees, or authorized representatives.

As used in this Lease, "Hazardous Material" means any substance which is toxic, ignitable, reactive, or corrosive or which is regulated by any federal, state or local law or regulation, as now in force or as may be amended from time to time, relating to the protection of human health or the environment, as well as any judgments, orders, injunctions, awards, decrees, covenants, conditions, or other restrictions or standards relating to the same. "Hazardous Material" includes any and all material or substances that are defined as "hazardous waste" "extremely hazardous waste," or a "hazardous substance" under any such law or regulation.

10. INSURANCE

Tenant shall procure and maintain, at Tenant's sole cost and expense, the following policies of insurance with a reputable insurance company or companies satisfactory to the City:

- A. Commercial general liability insurance in respect of the Premises and the conduct of Tenant's business and operations, naming the City as an additional insured, with minimum limits of liability of One Million Dollars (\$1,000,000.00) per person and One Million Dollars (\$1,000,00.00) per accident or occurrence for bodily injury and death, and a minimum limit of liability of One Million Dollars (\$1,000,000.00) for property damage for each occurrence;
- B. Property insurance, insuring against loss or damage by fire and such other risks as are customarily included in the broad form of extended coverage, in an amount of coverage not less than the replacement value of the improvements on the Premises, if any, and on such terms as are satisfactory to the City;
- C. Personal property insurance covering Tenant's trade fixtures, furnishings, equipment, and other items of personal property of Tenant located on the Premises; and
- D. Workers compensation insurance, and such other insurance as is required by law.

All insurance required under this Lease shall contain an endorsement requiring thirty (30) days' advance written notice to the City before cancellation or change in the coverage, scope, or amount of any policy. Prior to commencement of the Lease term, Tenant shall provide the City with proof of the insurance required by this Section.

11. REMOVAL OF PROPERTY

Upon expiration or earlier termination of this Lease, at the option of the City, Tenant shall remove from the Premises, at Tenant's sole expense, all property Tenant has placed or caused to be placed on the Premises. Tenant shall repair any damage to the Premises caused by such removal and return the Premises as near as possible to its original condition as existed on the Commencement Date. All property which is not promptly removed by Tenant pursuant to the City's request and in any event within thirty (30) days of the date of expiration or termination of this Lease may be removed, sold, destroyed or otherwise disposed of in any manner deemed appropriate by the City, all at Tenant's sole expense, and Tenant hereby agrees to pay the City for such expenses. Notwithstanding any provision to the contrary in this Lease, all petroleum, fuel, or chemical storage tanks installed in or on the Premises during the term of this Lease shall remain the property of the Tenant and, upon expiration or earlier termination of the Lease and upon request of the City, Tenant shall remove any and all such tanks and any and all contaminated soil and other materials

from the Premises, all at Tenant's sole expense.

12. DEFAULT AND REMEDIES

A. Default. The occurrence of any of the following shall constitute a default and a breach of this Lease by the Tenant:

i. The failure to make payment when due of any installment of rent, Additional Charges or of any other sum herein specified to be paid by the Tenant;

ii. The failure to pay any taxes or assessments due from the Tenant to the City and in any way related to this Lease, the Premises, any improvements, or the Tenant's activities or business conducted thereon, including but not limited to any real property, personal property or sales taxes;

iii. An assignment for the benefit of Tenant's creditors or the filing of a voluntary or involuntary petition by or against Tenant under any law for the purpose of adjudicating Tenant a bankrupt, or for extending the time for payment, adjustment, or satisfaction of Tenant's liabilities, or for reorganization, dissolution, or arrangement on account of or to prevent bankruptcy or insolvency, unless the assignment or proceeding, and all consequent orders, adjudications, custodies, and supervision are dismissed, vacated or otherwise permanently stayed or terminated within thirty (30) days after the assignment, filing or other initial event;

iv. The appointment of a receiver or a debtor-in-possession to take possession of the Premises (or any portion thereof) or of Tenant's interest in the leasehold estate [or any portion thereof] or of Tenant's operations on the Premises (or any portion thereof) by reason of Tenant's insolvency;

v. The abandonment or vacation of the Premises or any portion thereof;

vi. Execution, levy or attachment on Tenant's interest in this Lease or the Premises, or any portion thereof;

vii. The breach or violation of any statutes, laws, regulations, rules or ordinances of any kind applicable to Tenant's use or occupancy of the Premises; or

viii. The failure to observe or perform any covenant, promise, agreement, obligation or condition set forth in this Lease, other than the payment of rent, if such failure shall not be cured within ten (10) days after written notice has been given to Tenant. Notices given under this subsection shall specify the alleged breach and the applicable Lease provision and demand that the Tenant perform according to the terms of the Lease. No such notice shall be deemed a forfeiture or termination of this Lease unless the City expressly makes such election in the notice.

B. Remedies. If the Tenant breaches any provision of this Lease, in addition to all other rights and remedies the City has at law or in equity, the City may do one or more of the following:

i. Seize for rent due any of Tenant's personal property which comes into the City's possession. This remedy shall include the right of the City to dispose of Tenant's personal property in a commercially reasonable manner. Tenant agrees that compliance with the procedures set forth in the Alaska Uniform Commercial Code with respect to the sale of property shall be a commercially reasonable disposal.

ii. Re-enter the Premises, take possession thereof, and remove all property from the Premises. The property may be removed and stored at Tenant's expense, all without service of notice or resort to legal process, which Tenant waives, and without the City becoming liable for any damage that may result unless the loss or damage is caused by the City's negligence in the removal or storage of the property. No re-entry by the City shall be deemed an acceptance of surrender of this Lease. No provision of this Lease shall be construed as an assumption by the City of a duty to re-enter and re-let the Premises upon Tenant's default. If Tenant does not immediately surrender possession of the Premises after termination by the City and upon demand by the City, the City may forthwith enter into and upon and repossess the Premises and expel Tenant without being deemed guilty in any manner of trespass and without prejudice to any remedies which might otherwise be used for arrears of rent or breach of covenant;

- iii. Declare this Lease terminated;
- iv. Recover, whether this Lease is terminated or not, reasonable attorney's fees and all other expenses incurred by the City by reason of the default or breach by Tenant;
- v. The City may hold Tenant liable for Rent, Additional Charges, and other payments for which Tenant is obligated under the Lease, but only up to the amount not recaptured by the City after reletting the Premises;
- vi. Recover the costs of performing any duty of Tenant in this Lease;
- vii. Collect any and all rents due or to become due from subtenants or other occupants of the Premises.

13. SUBSIDENCE

The City shall not be responsible for any washout, subsidence, avulsion, settling, or reliction to the Premises, nor for any injury caused thereby to the property of the Tenant or any sub-lessee, or that of any other person. The City is not obligated to replace, refill, or improve any part of the Premises during Tenant's occupancy in the event of such washout, subsidence, avulsion, settling, or reliction.

14. TENANT MUST VACATE PREMISES

Upon the expiration or sooner termination of this Lease, Tenant shall peaceably vacate the Premises and the Premises shall be returned to the City by Tenant together with any alterations, additions or improvements made after the Commencement Date, unless the City requests that they be removed from the Premises. Tenant shall remove from the Premises any items of personal property brought on to the Premises. Any such property not removed from the Premises within thirty (30) days of the expiration or termination of this Lease shall become the property of the City at no cost or charge to the City, and may be removed, sold, destroyed or otherwise disposed of in any manner deemed appropriate by the City, all at Tenant's sole expense, and Tenant hereby agrees to pay the City for such expenses.

15. RESERVATION OF RIGHTS

The City reserves the right to designate and grant rights-of-way and utility easements across the Premises without compensation to Tenant or any other party, including the right of ingress and egress to and from the Premises for the construction, operation and maintenance of utilities and access, provided that Tenant shall be compensated for the taking or destruction of any improvements on the Premises. Tenant shall be responsible for requesting a rental adjustment to reflect any reduction in the value of the Premises.

16. SIGNS

No signs or other advertising symbols, canopies, or awnings shall be attached to or painted on or within the Premises without approval of the City Manager first being obtained; provided, however, that this prohibition shall not apply to standard, directional, informational and identification signs of two square feet or less in size. At the termination of this Lease, or sooner, all such signs, advertising matter, symbols, canopies or awnings, attached or painted by Tenant shall be removed from the Premises by Tenant at its own expense, and Tenant shall repair any damage or injury to the Premises, and correct any unsightly conditions caused by the maintenance or removal of said signs.

17. HOLDING OVER

If Tenant with the City's written consent remains in possession of the Premises after the expiration or termination of the Lease term for any cause, or after the date in any notice given by the City to Tenant terminating this Lease, such holding over shall be deemed a tenancy from month to month at the same rental amount applicable immediately prior to such expiration or termination, subject to adjustment in accordance with CMC § 5.22.040(c) or such successor provision of the code then in effect, and shall be terminable on 30 days' written notice given at any time by either party. All other provisions of this Lease except those pertaining to term and rent shall apply to the month-to-month

tenancy. If Tenant holds over without the City's express written consent, Tenant is deemed to be a tenant at sufferance and may be removed through a forcible entry and detainer proceeding without service on Tenant of a notice to quit.

18. EMINENT DOMAIN

If the whole or any part of the Premises shall be taken for any public or quasi-public use, under any statute or by right of eminent domain or private purchase in lieu thereof by a public body vested with the power of eminent domain, then the following provisions shall be operative.

A. Total Taking. If the Premises are totally taken by condemnation, this Lease shall terminate.

B. Partial Taking. If the Premises are partially taken by condemnation, then this Lease shall continue and the rent as specified in Section 3 above shall be abated in a proportion equal to the ratio that the portion of the Premises taken bears to the total Premises leased hereunder.

C. Award. Upon condemnation, the parties shall share in the award to the extent that their interests, respectively, are depreciated, damaged, or destroyed by the condemnation.

19. COSTS

Tenant shall be liable to and shall pay the City for the fees and costs incurred by the City in connection with the preparation, operation and enforcement of this Lease.

20. MISCELLANEOUS

A. Time Is of the Essence. Time is of the essence of this Lease and of each provision hereof.

B. Entire Agreement. This Lease represents the entire agreement between the parties with respect to the subject matter hereof, and may not be amended except in writing executed by the City and Tenant.

C. Governing Law and Venue. This Lease shall be subject to the provisions of the Code now or hereafter in effect. This Lease shall be governed by and construed in accordance with Alaska law and any action arising under this Lease shall be brought in a court of competent jurisdiction in Cordova, Alaska.

D. Relationship of Parties. Nothing in this Lease shall be deemed or construed to create the relationship of principal and agent, or of partnership, or of joint venture, or of any association between Tenant and the City. Neither the method of computation of rent, nor any other provisions contained in this Lease, nor any acts of the parties shall be deemed to create any relationship between the City and Tenant other than the relationship of Tenant and Landlord.

E. Notice. All notices hereunder may be hand-delivered or mailed. If mailed, they shall be sent by certified or registered mail to the following respective addresses:

TO CITY:
City of Cordova
Attn: City Manager
PO Box 1210
Cordova, Alaska 99574

TO TENANT:
XXX
Attn: XXX
PO Box XXX
Cordova, Alaska 99574

or to such other respective addresses as either party hereto may hereafter from time to time designate in advance in writing to the other party. Notices sent by mail shall be deemed to have been given when properly mailed, and the postmark affixed by the U.S. Post Office shall be conclusive evidence of the date of mailing. If hand-delivered, notice shall be deemed to have been made at the time of delivery.

F. Captions. Captions herein are for convenience and reference and shall not be used in construing the provisions of this Lease.

G. No Waiver of Breach. No failure by the City to insist upon the strict performance of any term, covenant or condition of this Lease, or to exercise any right or remedy upon a breach thereof, shall constitute a waiver of any such breach or of such term, covenant or condition. No waiver of any breach shall affect or alter this Lease, but each and every term, covenant and condition of this Lease shall continue in full force and effect with respect to any other existing or subsequent breach.

H. Survival. No expiration or termination of this Lease shall expire or terminate any liability or obligation to perform which arose prior to the termination or expiration.

I. Late Payment. In the event that any rent or other payment due under this Lease is not received by the City when due, a late fee of five percent (5%) per month of the principal amount due shall be due and payable until the full amount of rent or other payment is received by the City.

J. Partial Invalidity. If any provision of this Lease is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remainder of the provisions shall remain in full force and effect and shall in no way be affected, impaired, or invalidated.

K. Successors and Assigns. The terms, covenants and conditions in this Lease shall inure to the benefit of and shall be binding upon the successors and permitted assigns of the City and Tenant.

L. Estoppel Certificates. Either party shall at any time and from time to time, upon not less than 10 days' prior written request by the other party, execute, acknowledge, and deliver to such party a statement certifying that this Lease is unamended and in full force and effect (or, if there has been any amendment, that the same is in full force and effect as amended and stating the amendments); that there are no defaults existing (or, if there is any claimed default, stating the nature and extent thereof); and stating the dates to which the rent and other charges have been paid in advance.

M. Recordation of Lease. The parties agree that this Lease shall not be recorded, but upon the request of either party, the other party will join the requesting party in executing a memorandum of lease in a form suitable for recording, and each party agrees that such memorandum shall be prepared and recorded at the requesting party's expense.

N. Authority. Tenant represents that Tenant has all necessary power and is duly authorized to enter into this Lease and to carry out the obligations of Tenant hereunder.

O. Exhibits. Exhibit A to this Lease is hereby specifically incorporated into this Lease.

P. No Third-Party Beneficiaries. Nothing in this Lease shall be interpreted or construed to create any rights or benefits to any parties not signatories or successors or permitted assigns of signatories to this Lease.

Q. Interpretation. The language in all parts of this Lease shall in all cases be simply construed according to its fair meaning and not for or against the City or Tenant as both City and Tenant have had the assistance of attorneys in drafting and reviewing this Lease.

R. Counterparts. This Lease may be executed in counterparts, each of which when so executed and delivered shall be deemed to be an original and all of which taken together shall constitute one and the same instrument.

S. Attorney's Fees. In the event that the City shall bring any suit or action to enforce this Lease or any term or provision hereof, and shall prevail in such suit or action, Tenant agrees that Tenant shall pay the City's attorney's fees, costs and expenses incurred in connection with such suit or action.

IN WITNESS WHEREOF, the parties have caused this lease to be executed on the dates set opposite their respective signatures below.

CITY OF CORDOVA:

By: _____

Date: _____

Its: _____

Attest: _____
City Clerk

XXX:

By: _____

Date: _____

Its: _____

DRAFT

EXHIBIT A

PHOTO OF BUILDING AND OR PROPOERTY LOCATION HERE

DRAFT

Attachment G:
DRAFT Lease with Option to Purchase Agreement

DRAFT

CITY OF CORDOVA **Cordova, Alaska**

LEASE WITH OPTION TO PURCHASE

This LEASE WITH OPTION TO PURCHASE ("Lease") is made by and between the CITY OF CORDOVA, a municipal corporation organized and existing under the laws of the State of Alaska (the "City"), and **XXXX** ("Lessee").

RECITALS

WHEREAS, the City owns that certain unimproved parcel of land in Cordova, Alaska and legally described as **Lot X, Block X, Subdivision**, Records of the Cordova Recording District, Third Judicial District, State of Alaska, and also known by Assessor's Parcel No. **02-xxx-xxx** (referred to hereinafter as the "Premises");

WHEREAS, Lessee desires to lease the Property from the City (the "Premises") from the City and the City desires to lease the Premises to Lessee, on the terms and conditions set forth herein;

NOW, THEREFORE, in consideration of the Premises and the parties' mutual covenants, it is agreed as follows:

1. LEASE OF PREMISES

Subject to the terms and conditions set forth herein, the City leases to Lessee, and Lessee leases from the City, the Premises, as described above and illustrated in Exhibit A, attached and incorporated into this Lease.

2. LEASE TERM

The Lease Term will be (10) years, commencing on **February XX, 2025**, (the "Commencement Date") and terminating at 11:59 p.m. **on February XX, 2035**, unless earlier terminated in accordance with the terms of this Lease (sometimes hereinafter referred to as the "Lease Term"). The Lease does not provide a lease renewal option.

3. RENT

A. **Base Rent.** The annual rent for the first five years of the Lease Term will be **XX Thousand Dollars and Zero Cents (\$XX,000.00)**, **payable in monthly installments of X Hundred Dollars and XX Cents (\$X00.00)** ("Base Rent"). Base Rent is due on the first day of each calendar month during the Lease Term. Base Rent must be paid in lawful money of the United States without abatement, deduction or set-off for any reason whatsoever, at the address set forth in Section 22.E of this Lease, or at any other place the City directs in writing. Base Rent shall be paid promptly when due without notice or demand therefore. The parties intend the Base Rent to be absolutely net to the City. All costs, expenses, and obligations of every kind and nature whatsoever

in connection with or relating to the Premises shall be the obligation of, and shall be paid by, Lessee.

B. Additional Charges. In addition to the Base Rent, Lessee acknowledges and agrees that Lessee is obligated to pay and will pay, before delinquency and without reimbursement, all costs, expenses, and obligations of every kind and nature whatsoever in connection with or relating to the Premises or the activities conducted on the Premises, including, without limitation, those costs, expenses, and obligations identified in Section 8 and all other sums, costs, expenses, taxes, and other payments that Lessee assumes or agrees to pay under the provisions of this Lease (collectively the “Additional Charges”).

Without limiting in any way Lessee’s payment obligations, the City will have the right, but not the obligation, at all times during the Lease Term, to pay any charges levied or imposed upon the Premises that remain unpaid after they have become due and payable, and that remain unpaid after reasonable written notice to Lessee. The amount paid by the City, plus the City’s expenses, shall be Additional Charges due from Lessee to the City, with interest thereon at the rate of ten percent (10%) per annum from the date of payment thereof by the City until repayment thereof by Lessee.

C. Late Fee. Rent not paid within ten (10) days of the due date shall be assessed a late charge of ten percent (10%) of the delinquent amount; the charge shall be considered liquidated damages and shall be due and payable as Additional Charges. In the event the late charge assessment above exceeds the maximum amount allowable by law, the amount assessed will be adjusted to the maximum amount allowable by law.

D. Adjustment of Base Rent. Beginning on the fifth anniversary of the Commencement Date, Base Rent shall be adjusted annually by the Consumer Price Index (CPI-U) for the Anchorage, Alaska metropolitan area, as computed and published by the United States Bureau of Labor Statistics. Annual Base Rent adjustments will be equal to the percentage change between the then-current CPI-U and the CPI-U published for the same month during the previous year, except the first Base Rent adjustment, which will occur on the fifth anniversary of the Commencement Date, will be equal to the percentage increase in the CPI-U from the commencement date of this lease to the then-current year. No adjustments to Base Rent shall cause a reduction in the Base Rent. The City is not required to give advance written notice of the increase for the adjustment to be effective.

4. USES AND CONDITION OF PREMISES

A. Authorized Uses. Subject to the terms and conditions of this Lease, Lessee’s use of the Premises is limited to constructing and maintaining the project detailed in the site development plan (Attachment B), and using the constructed buildings and structures as well as the undeveloped land only as specified in the development plan. The Lessee shall give prior written notice to the City of any proposed changes to the site development plan that are in furtherance of its authorized uses, and such changes are subject to City review and approval not to be unreasonably withheld or delayed. Lessee shall not leave the Premises unoccupied or vacant without the City’s prior written consent. Inspections. The City and its authorized representatives and agents shall have the right, but not the obligation, to enter the Premises at any reasonable time

to inspect the use and condition of the Premises; to serve, post, or keep posted any notices required or allowed under the provisions of this Lease, including notices of non-responsibility for liens; and to do any act or work necessary for the safety or preservation of the Premises. Except in the event of an emergency, the City will give 48-hours' advance written notice of its intent to inspect the Premises. The City shall not be liable in any manner for any inconvenience, disturbance, loss of business, nuisance, or other damage arising out of the City's entry onto the Premises, except for damage resulting directly from the acts of the City or its authorized representatives or agents.

B. Compliance with Laws. Lessee shall maintain and repair the Premises in compliance with all applicable laws, regulations, ordinances, rules, orders, permits, licenses, and other authorizations. Lessee shall not use or permit the use of the Premises for any purpose prohibited by law or which would cause a cancellation of any insurance policy covering the Premises. Lessee shall not cause or permit any Hazardous Material (as defined in Section 10.B of this Lease) to be brought upon, kept, or used in, on, or about the Premises except for such Hazardous Material as is necessary to conduct Lessee's authorized uses of the Premises. Any such Hazardous Material brought upon, kept, or used in, on, or about the Premises shall be used, kept, stored, and disposed of in a manner that complies with all environmental laws and regulations applicable to Hazardous Material. Lessee shall not cause or allow the release or discharge of any other materials or substances that are known to pose a hazard to the environment or human health.

C. Lessee's Acceptance of Premises. Lessee represents, warrants and acknowledge that it has inspected the Premises to its complete satisfaction and is familiar with its condition, and that the City makes no representations or warranties, express or implied, with respect thereto, including, but not limited to, the condition of the Premises (including environmental condition) or its suitability or fitness for any use Lessee may make of the Premises. Lessee accepts the Premises AS IS, WHERE IS, CONDITION WITH ALL FAULTS. No action or inaction by the Council, the City Manager, or any other officer, agent, or employee of the City relating to or in furtherance of the Lease or the Premises shall be deemed to constitute an express or implied representation or warranty that the Premises, or any part thereof, are suitable or usable for any specific purpose whatsoever. Any such action or inaction shall be deemed to be and constitute performance of a discretionary policy and planning function only, and shall be immune and give no right of action as provided in Alaska Statute 9.65.070, or any amendment thereto.

5. DEVELOPMENT PLAN AND SUBSTANTIAL COMPLETION

A. Development Plan. The attached site development plan has been approved by the Cordova City Council, and is attached to this Lease as Exhibit B. Any proposed material change to the attached site development plan by Lessee will be treated as an amendment to the Lease, requiring the written consent of both parties in accordance with Section 22.B. This Lease does not confer any approval from the Cordova Planning Commission regarding the site development plan or substitute for any approval process required in Cordova Municipal Code. Rather it is Lessee's responsibility to ensure the site development plan complies with all city code requirements and procedures and must still submit a plan for approval by the Planning Commission as required by Cordova Municipal Code 18.33.130.

B. Substantial Completion. Lessee must substantially complete construction of the project set forth in the site development plan attached as Exhibit B by February X, 2030, which is

Five (5) years after the Lease's Commencement Date. As used in this Lease, the term "substantially complete" shall mean the stage of construction when the building(s), whose footprint is outlined in the site development plan, including its structure, façade, windows, roof, heating, and lighting, are sufficiently complete so that Lessee can occupy and use the building and install or cause the installation of all equipment required for the contemplated use thereof, AND Lessee has provided to the City certificates of inspection from certified inspectors showing that the following inspections have been performed and that construction meets the codes adopted by the City in Cordova Municipal Code Title 16. The following inspections are the minimum required: any and all inspections that are required for financing construction of the improvements provided for in the site development plan. These inspections shall be provided to the City within five (5) days of providing them to the entity financing the build. Certificates of inspections and the listed of required corrections in the case of a failed inspection, shall be provided to City within five (5) days of receiving each inspection certificate or correction list. If Lessee fails to substantially complete the construction of the project set forth in the site development plan by **February X, 2030**, Lessee will be in default of this Lease and the City may terminate the Lease and take any other action detailed in Section 13.

6. REPRESENTATIONS AND WARRANTIES

Lessee represents and warrants to the City that Lessee is not delinquent in the payment of any obligation to the City, and that Lessee has not previously breached or defaulted in the performance of a material contractual or legal obligation to the City, which breach or default has not been remedied or cured.

7. ASSIGNMENTS AND SUBLetting; SUBORDINATION

Lessee shall not assign or otherwise transfer this Lease or any interest herein or sublet the Premises or any portion thereof, or permit the occupancy of any part of the Premises by any other person or entity, without the prior written consent of the City, which consent may be withheld in the City's absolute discretion. This Lease is subject and subordinate to any mortgages or trust deeds now and hereafter made against the Premises by the City and to all renewals, extensions, modifications, consolidations and replacements thereof, and to all advances made or hereafter to be made upon the security thereof, provided that, and as a condition thereto, City shall deliver to Lessee from the holder thereof a subordination non-disturbance and attornment agreement in a commercial reasonable form.

8. OPERATIONS, MAINTENANCE, UTILITIES, TAXES, & ASSESSMENTS

Lessee shall, at Lessee's sole cost and expense, be solely responsible for: (i) maintaining and repairing the Premises and shall not commit or allow any waste upon the Premises; (ii) obtaining any and all permits and approvals necessary for Lessee's use of the Premises; (iii) all utilities and services needed for Lessee's use of the Premises; (iv) all taxes and assessments levied against the Premises, and Lessee agrees to pay all such taxes and assessments when due, including, but not limited to, all utility bills and special assessments levied and unpaid as of the Commencement Date or hereafter levied for public improvements; (v) all licenses, excise fees, and occupation taxes with respect to the business and activities conducted on the Premises; (vi) all real

property taxes, personal property taxes, and sales taxes related to the Premises or Lessee's use or occupancy thereof; and (vii) any taxes on the leasehold interest created under this Lease.

9. LIENS

Lessee will suffer no lien or other encumbrance to attach to the Premises, including, without limitation, mechanic's or materialman's liens, sales tax liens under Cordova Municipal Code 5.40.125, or property tax liens under Cordova Municipal Code 5.36.260. During the Lease Term, the City may enter the Premises at reasonable times, with or without prior notice, to post notice(s) of non-responsibility on the Premises. If the City posts any notice of non-responsibility on the Premises, Lessee will ensure that the notice is maintained in a conspicuous place.

10. INDEMNIFICATION

A. General Indemnification. Lessee shall defend, indemnify, and hold the City and its authorized representatives, agents, officers, and employees harmless from and against any and all actions, suits, claims, demands, penalties, fines, judgments, liabilities, settlements, damages, or other costs or expenses (including, without limitation, attorneys' fees, court costs, litigation expenses, and consultant and expert fees) resulting from, arising out of, or related to Lessee's occupation or use of the Premises or the occupation or use of the Premises by Lessee's employees, agents, servants, customers, contractors, subcontractors, sub-lessees, or invitees, including, but not limited, to all claims and demands arising out of any labor performed, materials furnished, or obligations incurred in connection with any improvements, repairs, or alterations constructed or made on the Premises and the cost of defending against such claims, including reasonable attorneys' fees. In the event that such a lien is recorded against the Premises, Lessee shall, at Lessee's sole expense within ninety (90) days after being served with written notice thereof, protect the City against said lien by filing a lien release bond or causing the release of such lien.

B. Environmental Release and Indemnification. The City makes no representation or warranty regarding the presence or absence of any Hazardous Material (as hereafter defined) on the Premises. Lessee releases the City and its authorized representatives, agents, officers, and employees from any and all actions, suits, claims, demands, penalties, fines, judgments, liabilities, settlements, damages, or other costs or expenses (including, without limitation, attorneys' fees, court costs, litigation expenses, and consultant and expert fees) arising during or after the Lease Term, that result from the use, keeping, storage, or disposal of Hazardous Material in, on, or about the Premises by Lessee, or that arise out of or result from Lessee's occupancy or use of the Premises or the use or occupancy of the Premises by Lessee's employees, agents, servants, customers, contractors, subcontractors, sub-lessees, invitees (other than the City), or authorized representatives. This release includes, without limitation, any and all costs incurred due to any investigation of the Premises or any cleanup, removal, or restoration mandated by a federal, state, or local agency or political subdivision, or by law or regulation. Lessee agrees that it shall be fully liable for all costs and expenses related to the use, storage, and disposal of Hazardous Material generated, kept, or brought on the Premises by Lessee, its employees, agents, servants, customers, contractors, subcontractors, sub-lessees, invitees, or authorized representatives.

Lessee shall defend, indemnify, and hold the City and its authorized representatives, agents, officers, and employees harmless from and against any claims, demands, penalties, fines,

judgments, liabilities, settlements, damages, costs, or expenses (including, without limitation, attorneys' fees, court costs, litigation expenses, and consultant and expert fees) of whatever kind or nature, known or unknown, contingent or otherwise, arising in whole or in part from or in any way related to: (i) the presence, disposal, release, or threatened release of any such Hazardous Material on or from the Premises, soil, water, ground water, vegetation, buildings, personal property, persons, animals, or otherwise; (ii) any personal injury or property damage arising out of or related to such Hazardous Material; (iii) any lawsuit brought or threatened, settlement reached, or government order relating to such Hazardous Material; and (iv) any violation of any laws applicable to such Hazardous Material; provided, however, that the acts giving rise to the claims, demands, penalties, fines, judgments, liabilities, settlements, damages, costs, or expenses arise in whole or in part from the use of, operations on, or activities on the Premises by Lessee or its employees, agents, servants, customers, contractors, subcontractors, sub-lessees, invitees (other than the City), or authorized representatives.

As used in this Lease, "Hazardous Material" means any substance which is toxic, ignitable, reactive, or corrosive or which is otherwise regulated by any federal, state, or local law or regulation, as now in force or as may be amended from time to time, relating to the protection of human health or the environment, as well as any judgments, orders, injunctions, awards, decrees, covenants, conditions, or other restrictions or standards relating to the same. "Hazardous Material" includes any and all material or substances that are defined as "hazardous waste," "extremely hazardous waste," or a "hazardous substance" under any law or regulation.

11. INSURANCE

Lessee shall procure and maintain during the term of this Lease, at Lessee's sole cost and expense, the following policies of insurance with a reputable insurance company or companies satisfactory to the City:

A. General Liability. General liability insurance in respect of the Premises and naming the City as an additional insured, with minimum limits of liability of not less than One Million and 00/100 (\$1,000,000.00) per person and Two Million Dollars (\$2,000,000.00) per accident or occurrence for bodily injury and death, and a minimum limit of liability of One Million and 00/100 Dollars (\$1,000,000.00) for property damage for each occurrence; and

B. Other Insurance. Such other and additional insurance policies and coverages that are mandated by the bank or other lending institution financing the construction of the structures and improvement provided for in the Lessee's site development plan, together with such other and additional insurance policies and coverages as may be reasonably requested by the City during the term of this Lease.

All insurance required under this Lease shall contain an endorsement requiring thirty (30) days' advance written notice to the City before cancellation or change in the coverage, scope, or amount of any policy. Before commencement of the Lease Term, Lessee shall provide the City with proof of the insurance required by this Section 11, except where noted above.

12. OWNERSHIP AND REMOVAL OF THE FACILITIES

Unless Lessee exercises its Option to purchase (defined in Section 21) (in which case all improvements made by Lessee shall continue to be owned by Lessee), the facilities on the Premises are and shall remain the property of Lessee until the expiration or earlier termination of this Lease. Upon expiration or earlier termination of this Lease, at the option of the City, title to and ownership of the facilities shall automatically pass to, vest in, and belong to the City without further action on the part of either party other than the City's exercise of its option, and without cost or charge to the City. Lessee shall execute and deliver such instruments to the City as the City may reasonably request to reflect the termination of Lessee's interest in this Lease and the facilities and the City's title to and ownership thereof.

In the event that the City does not exercise its option provided in the immediately preceding paragraph, upon expiration or earlier termination of this Lease, Lessee shall remove from the Premises, at Lessee's sole expense, all of the facilities or the portion thereof that the City designates must be removed. In such event, Lessee shall repair, at Lessee's sole cost and expense, any damage to the Premises caused by the removal and return the Premises as near as possible to its original condition as existed on the Commencement Date. All facilities which are not promptly removed by Lessee pursuant to the City's request and in any event within thirty (30) days of the date of expiration or termination of this Lease may be removed, sold, destroyed or otherwise disposed of in any manner deemed appropriate by the City, all at Lessee's sole expense, and Lessee hereby agrees to pay the City for such expenses.

Notwithstanding any provision to the contrary in this Lease, all petroleum, fuel, or chemical storage tanks installed in or on the Premises during the Lease Term will remain Lessee's property and upon expiration or earlier termination of this Lease, Lessee shall remove these items and all contaminated soil and other material from the Premises, at Lessee's sole expense.

13. DEFAULT AND REMEDIES

A. Default. The occurrence of any of the following shall constitute a default and a breach of this Lease by the Lessee:

i. The failure to make payment when due of any Base Rent, Additional Charges, or of any other sum herein specified to be paid by the Lessee if such failure is not cured within ten (10) days after written notice has been given to Lessee;

ii. The failure to pay any taxes or assessments due from the Lessee to the City and in any way related to this Lease, the Premises, any improvements, or the Lessee's activities or business conducted thereon, including, but not limited to, any real property, personal property, or sales tax if such failure is not cured within thirty (30) days after written notice has been given to Lessee;

iii. Lessee's failure to substantially complete the site development plan, including the timely submission of certificates of inspection from certified inspectors as required by Section 5;

iv. An assignment for the benefit of Lessee's creditors or the filing of a voluntary or involuntary petition by or against Lessee under any law for the purpose of adjudicating Lessee a bankrupt; or for extending the time for payment, adjustment, or satisfaction of Lessee's liabilities; or for reorganization, dissolution, or arrangement on account of or to prevent bankruptcy or insolvency, unless the assignment or proceeding, and all consequent orders, adjudications, custodies, and supervision are dismissed, vacated, or otherwise permanently stayed or terminated within thirty (30) days after the assignment, filing, or other initial event;

v. The appointment of a receiver or a debtor-in-possession to take possession of the Premises (or any portion thereof); Lessee's interest in the leasehold estate (or any portion thereof); or Lessee's operations on the Premises (or any portion thereof), by reason of Lessee's insolvency;

vi. The abandonment or vacation of the Premises continues for a period of three (3) months of any consecutive four (4) month period during the Lease Term; notwithstanding the foregoing, leaving the Premises vacant pending development of improvements shall not be deemed abandonment;

vii. Execution, levy, or attachment on Lessee's interest in this Lease or the Premises, or any portion thereof;

viii. The breach or violation of any statutes, laws, regulations, rules, or ordinances of any kind applicable to Lessee's use or occupancy of the Premises if such breach or violation continues for a period of thirty (30) days or longer; or

ix. The failure to observe or perform any covenant, promise, agreement, obligation, or condition set forth in this Lease, other than the payment of rent, if such failure is not cured within thirty (30) days after written notice has been given to Lessee, or if the default is of a nature that it cannot be cured within thirty (30) days, then a cure is commenced within thirty (30) days and diligently prosecuted until completion, weather and *force majeure* permitting. Notices given under this subsection shall specify the alleged breach and the applicable Lease provision and demand that the Lessee perform according to the terms of the Lease. No such notice shall be deemed a forfeiture or termination of this Lease unless the City expressly elects so in the notice.

B. Remedies. If the Lessee breaches any provision of this Lease, in addition to all other rights and remedies the City has at law or in equity, the City may do one or more of the following:

i. Distain for rent due any of Lessee's personal property which comes into the City's possession. This remedy shall include the right of the City to dispose of Lessee's personal property in a commercially reasonable manner. Lessee agrees that compliance with the procedures set forth in the Alaska Uniform Commercial Code with respect to the sale of property shall be a commercially reasonable disposal;

ii. Re-enter the Premises, take possession thereof, and remove all property from the Premises. The property may be removed and stored at Lessee's expense, all without service of notice or resort to legal process, which Lessee waives, and without the City becoming liable for any damage that may result unless the loss or damage is caused by the City's negligence

in the removal or storage of the property. No re-entry by the City shall be deemed an acceptance of surrender of this Lease. No provision of this Lease shall be construed as an assumption by the City of a duty to re-enter and re-let the Premises upon Lessee's default. If Lessee does not immediately surrender possession of the Premises after termination by the City and upon demand by the City, the City may forthwith enter into and upon and repossess the Premises with process of law and without a breach of the peace and expel Lessee without being deemed guilty in any manner of trespass and without prejudice to any remedies which might otherwise be used for arrears of rent or breach of covenant;

iii. Declare this Lease terminated;

iv. Recover, whether this Lease is terminated or not, reasonable attorneys' fees and all other expenses incurred by the City by reason of the default or breach by Lessee, less any rents received in mitigation of Tenant's default (but City is not under any duty to relet Premises);

v. Recover an amount to be due immediately upon breach equal to the sum of all Base Rent, Additional Charges, and other payments for which Lessee is obligated under the Lease;

vi. Recover the costs of performing any duty of Lessee in this Lease; or

vii. Collect any and all rents due or to become due from subtenants or other occupants of the Premises

14. SUBSIDENCE

The City shall not be responsible for any washout, subsidence, avulsion, settling, or reliction to the Premises or for any injury caused thereby to Lessee's, any sub-lessee's, or any other person's property. The City is not obligated to replace, refill, or improve any part of the Premises during Lessee's occupancy in the event of a washout, subsidence, avulsion, settling, or reliction.

15. VACATION BY LESSEE

Upon the expiration or sooner termination of this Lease, Lessee shall peaceably vacate the Premises and the Premises shall be returned to the City by Lessee together with any alterations, additions, or improvements, unless the City requests that they be removed from the Premises. Upon such vacation and surrender, Lessee shall remove from the Premises any items of personal property brought on to the Premises. Any such property not removed from the Premises within thirty (30) days of the expiration or termination of this Lease shall become the property of the City at no cost or charge to the City, and may be removed, sold, destroyed, or otherwise disposed of in any manner deemed appropriate by the City, all at Lessee's sole expense, and Lessee hereby agrees to pay the City for these expenses.

16. RESERVATION OF RIGHTS

The City reserves the right to designate and grant rights-of-way and utility easements across the Premises without compensating Lessee or any other party, including the right of ingress

and egress to and from the Premises for the construction, operation, and maintenance of utilities and access, provided that Lessee shall be compensated for the taking or destruction of any improvements on the Premises, and provided further that the City's designation will not unreasonably interfere with Lessee's improvements or use of the Premises. Lessee shall be responsible for requesting a rental adjustment to reflect any reduction in the value of the Premises.

17. SIGNS

No signs or other advertising symbols, canopies, or awnings shall be attached to or painted on or within the Premises without approval of the City Manager first being obtained; provided, however, that this prohibition shall not apply to standard, directional, informational and identification signs of two square feet or less in size. At the termination of this Lease, or sooner, all such signs, advertising matter, symbols, canopies, or awnings, attached or painted by Lessee shall be removed from the Premises by Lessee at its own expense, and Lessee shall repair any damage or injury to the Premises, and correct any unsightly conditions caused by the maintenance or removal of said signs.

18. HOLDING OVER

If Lessee, with the City's written consent, remains in possession of the Premises after the expiration or termination of the Lease for any cause, or after the date in any notice given by the City to Lessee terminating this Lease, such holding over shall be deemed a tenancy from month to month at the same Base Rent applicable immediately prior to such expiration or termination, subject to adjustment in accordance with Cordova Municipal Code 5.22.090.C, or such successor provision of the code then in effect, and shall be terminable on thirty (30) days' written notice given at any time by either party. All other provisions of this Lease, except those pertaining to term, rent, and purchase option, shall apply to the month-to-month tenancy. If Lessee holds over without the City's express written consent, Lessee is deemed to be a tenant at sufferance and may be removed through a forcible entry and detainer proceeding without service on Lessee of a notice to quit.

19. EMINENT DOMAIN

If the whole or any part of the Premises shall be taken for any public or quasi-public use, under any statute or by right of eminent domain or private purchase in lieu thereof by a public body vested with the power of eminent domain, then the following provisions shall be operative:

A. Total Taking. If the Premises are totally taken by condemnation, this Lease shall terminate;

B. Partial Taking. If the Premises are partially taken by condemnation, then this Lease shall continue and the rent as specified in Section 3 above shall be abated in a proportion equal to the ratio that the portion of the Premises taken bears to the total Premises leased hereunder; and

C. Award. Upon condemnation, the parties shall share in the award to the extent that their interests, respectively, are depreciated, damaged, or destroyed by the condemnation.

20. COSTS

Lessee shall be liable to and shall pay the City for the fees and costs incurred by the City in connection with the negotiation, drafting, preparation, operation, and enforcement of this Lease, including, without limitation, attorneys' fees and costs incurred by the City. All outstanding fees and costs shall be paid in full no later than the time of the City's execution of this Lease.

21. BUYER'S OPTION TO PURCHASE

A. Option. The City hereby grants to Lessee an option (the "Option") to purchase the Premises upon the terms and conditions stated in this Lease.

B. Option Period. The Option will commence upon the Commencement Date of this Lease and terminate the date the Lease terminates (the "Option Period"). If Lessee fails to exercise the Option during the Option Period, neither party shall have any further rights or claims against the other party by reason of the Option.

C. Exercise of Option. To exercise the Option, Lessee must provide written notice ("Notice of Exercise of Option") to the City, delivered or mailed by certified or registered mail, return receipt requested, to the City's address set forth in Section 22.E, at least sixty (60) days prior to the date Lessee intends to exercise the Option.

D. Conditions to Exercise Option. Lessee can only exercise the Option if all of the following conditions are satisfied: (i) no default exists or is continuing under this Lease and (ii) the building as described in the site development plan attached as Exhibit B is substantially completed as defined in section 5.B including the submission of all certificates of inspection from certified inspectors.

E. Purchase Price. Lessee shall have the right to purchase the Premises for **\$XX,000.00 ("Purchase Price")** until the fifth anniversary of the Commencement Date. If Lessee exercises its Option to purchase the Premises after the fifth anniversary of the Commencement Date, the Purchase Price will be adjusted to the current fair market value, as reasonably determined by the City, excluding all improvements completed by Lessee under this Lease. In the event that Lessee exercises the Option on or before **February 31, 2030**, the payment due at Closing to the City ("Closing Payment") will equal the Purchase Price reduced by all Base Rent payments paid by Lessee to the City under this Lease. In the event that Lessee exercises the Option after **February 31, 2030**, the Closing Payment will equal the Purchase Price, and the Closing Payment will not be reduced by any Base Rent payments paid by Lessee to the City under this Lease.

F. Closing Date. The Closing must occur on a date (the "Closing Date") mutually agreed upon by the parties, but must be within sixty (60) days after the exercise of the Option.

G. Closing. At Closing, the City shall deliver a quitclaim deed, subject to matters of record, including those matters that have arisen out of Lessee's use and occupancy of the Premises, in recordable form, transferring marketable title (subject to Lessee's reasonable approval) and Lessee shall execute and deliver to the City the Closing Payment in full, in immediately available funds. This Lease will terminate upon the Closing of Lessee's purchase of the Premises. All costs and fees (including attorneys' fees) associated with the negotiation, drafting, preparation, and

enforcement of a purchase and sale agreement and related documents, the closing of the transaction, and the termination of the leasehold interest in the Premises, including, but not limited to, environmental assessments, escrow fees, recording fees, and title insurance costs, will be paid by Lessee.

H. Cooperation for Consummating the Option. If Lessee exercises the Option, the City and Lessee each covenant and agree to sign, execute, and deliver, or cause to be signed, executed, and delivered, and to do or make, or cause to be done or made, upon the written request of the other party, any and all agreements, instruments, papers, deeds, acts, or things, supplemental, confirmatory, or otherwise, as may be reasonably required by either party hereto for the purpose of or in connection with consummating the Option.

I. City's Right of First Refusal. In the event Lessee exercises its Option and subsequently determines to sell or otherwise dispose of the Premises, the City shall have a continuous and exclusive right of first refusal to purchase the Premises. The parties must either include notice of the City's right of first refusal in the deed transferring the Premises to the Lessee, or execute a separate document acceptable to the City and in a recordable form ensuring the City's right of first refusal hereunder. The document must be recorded contemporaneously with the recording of the deed. The City's right of first refusal to purchase the Premises must contain at least the following minimum terms and conditions (and such other terms as may be reasonably requested by the City):

i. Lessee may accept an offer for the sale or other disposition of the Premises only if it is made subject to the City's right of first refusal herein. Upon acceptance of an offer for the sale, disposition, conveyance, or transfer from a third party (the "Purchase Offer"), Lessee will present a copy of the Purchase Offer and acceptance to the City by written notice at the address set forth in Section 22.E. The City will then have sixty (60) days to either agree to purchase the Premises on the same terms and conditions set forth in the Purchase Offer, or decline to exercise its right of first refusal. The City shall give written notice of its decision to exercise or decline to exercise its right of first refusal to Lessee at the address set forth in Section 22.E no later than sixty (60) days after being presented with a copy of the Purchase Offer.

ii. If the City declines to exercise its right of first refusal, Lessee may then sell or otherwise dispose of the Premises to the third party on the same terms and conditions set forth in the Purchase Offer. If the sale or other disposition is completed on the same terms and conditions set forth in the Purchase Offer, then any interest of the City in and to the Premises shall cease and be of no further force and effect and the City shall provide in recordable form a release of its right of first refusal at the closing of the sale to the third party. If the sale or other disposition is not completed on the terms and conditions in the Purchase Offer, then the City will continue to have its exclusive right of first refusal under the procedures outlined above in this Section, before Lessee may convey or transfer its interest in the Premises to a third party.

22. MISCELLANEOUS

A. Time Is of the Essence. Time is of the essence for this Lease and of each provision hereof.

B. Entire Agreement. This Lease represents the entire agreement between the parties with respect to the subject matter hereof, and may not be amended except in writing executed by the City and Lessee.

C. Governing Law and Venue. This Lease shall be subject to the provisions of the Cordova Municipal Code now or hereafter in effect. This Lease shall be governed by and construed in accordance with Alaska law and any action arising under this Lease shall be brought in a court of competent jurisdiction in Cordova, Alaska.

D. Relationship of Parties. Nothing in this Lease shall be deemed or construed to create the relationship of principal and agent, partnership, joint venture, or of any association between Lessee and the City. Neither the method of computation of rent, nor any other provisions contained in this Lease, nor any acts of the parties shall be deemed to create any relationship between the City and Lessee other than the relationship of lessee and lessor.

E. Notice. All notices hereunder may be hand-delivered or mailed. If mailed, they shall be sent by certified or registered mail to the following respective addresses:

TO CITY:

City of Cordova
Attn: City Manager
P.O. Box 1210
Cordova, Alaska 99574

TO LESSEE:

Lessee X and Lessee XX
P.O. Box XXX
Cordova, Alaska 99574
(907) 424-XXXX

or to such other address as either party hereto may from time to time designate in advance in writing to the other party. Notices sent by mail shall be deemed to have been given when properly mailed. The postmark affixed by the U.S. Post Office shall be conclusive evidence of the date of mailing. If hand-delivered, notice shall be deemed to have been made at the time of delivery.

F. Captions. Captions herein are for convenience and reference and shall not be used in construing the provisions of this Lease.

G. No Waiver of Breach. No waiver of any provision hereof shall be effective unless made in writing and signed by the waiving party. No failure by the City to insist upon the strict performance of any term, covenant, or condition of this Lease, or to exercise any right or remedy upon a breach thereof, shall constitute a waiver of any such breach or of such term, covenant, or condition. No waiver of any breach shall modify, effect or alter this Lease, but each and every term, covenant, and condition of this Lease shall continue in full force and effect with respect to any other existing or subsequent breach.

H. Survival. No expiration or termination of this Lease shall expire or terminate any liability or obligation to perform which arose prior to the termination or expiration.

I. Partial Invalidity. If any provision of this Lease is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remainder of the provisions shall remain in full force and effect and shall in no way be affected, impaired, or invalidated.

J. Successors and Assigns. The terms, covenants, and conditions in this Lease shall inure to the benefit of and shall be binding upon the successors and permitted assigns of the City and Lessee.

K. Estoppel Certificates. Either party shall at any time and from time to time, upon not less than ten (10) days' prior written request by the other party, execute, acknowledge, and deliver to such party a statement certifying that this Lease has not been amended and is in full force and effect (or, if there has been an amendment, that the same is in full force and effect as amended and stating the amendments); there are no defaults existing (or, if there is any claimed default, stating the nature and extent thereof); and stating the dates up to which the Base Rent and Additional Charges have been paid in advance.

L. Recordation of Lease. The parties agree that this Lease shall not be recorded, but upon the request of either party, the other party will join the requesting party in executing a memorandum of lease in a form suitable for recording, and each party agrees that such memorandum shall be prepared and recorded at the requesting party's expense.

M. Authority. Lessee represents that it has all necessary power and is duly authorized to enter into this Lease and carry out the obligations of Lessee. Lessee further represents that Lessee has the necessary power to authorize and direct the officer of Lessee whose name and signature appear at the end of this Lease to execute the Lease on Lessee's behalf.

N. Exhibits. Exhibits A and Exhibits B to this Lease are specifically incorporated into the Lease.

O. No Third-Party Beneficiaries. Nothing in this Lease shall be interpreted or construed to create any rights or benefits to any parties not signatories, successors, or permitted assigns of signatories to this Lease.

P. Interpretation. The language in all parts of this Lease shall in all cases be simply construed according to its fair meaning and not for or against the City or Lessee as both City and Lessee have had the assistance of attorneys in drafting and reviewing this Lease.

Q. Counterparts. This Lease may be executed in counterparts, each of which when so executed and delivered shall be deemed to be an original and all of which taken together shall constitute one and the same instrument.

R. Attorneys' Fees. In the event that any suit or action is brought to enforce this Lease or any term or provision hereof, the parties agree that the prevailing party shall recover all attorneys' fees, costs, and expenses incurred in connection with such suit or action to the maximum extent allowed by law.

IN WITNESS WHEREOF, the parties have caused this Lease to be executed as of the Commencement Date.

CITY:

CITY OF CORDOVA

By: _____

Its: _____

LESSEE:

Lessee X

Lessee XX

DRAFT

Exhibit A
Leased Premises

DRAFT

Exhibit B
Development Plan

DRAFT