

**LEASE AGREEMENT**  
**With Amendments as listed on page 11**

THIS AGREEMENT of Lease is made effective this 1<sup>st</sup> day of November 1, 2017, by and between the City of Thorne Bay, an Alaska municipal corporation, P.O. Box 19110, Thorne Bay, Alaska 99919 (hereinafter called the City or Lessor), and Southeast Island School District (SISD) of PO Box 19569, Alaska 99919, hereinafter referred to as (Lessee).

1. **Leased Premises.** The City of Thorne Bay hereby leases to Lessee the following described municipal land ("Premises"), situated in the City of Thorne Bay, First Judicial District, State of Alaska, described as follows:

City owned municipal land, located easterly of the City owned boat launch facility as shown on the attached map within the corporate boundaries of the City of Thorne Bay.

In additions to the terms and conditions contained in all of the sections of this Lease, the provisions of Title 2, Article III of the Thorne Bay Municipal Code shall apply to the terms and conditions of this Lease Agreement unless otherwise amended in this Lease.

2. **Term.** The term of this Lease shall be for a one (1) year term commencing **November 1, 2017 and terminating October 31, 2018.** The lease shall terminate automatically on the expiration of the first year, unless the Lessor and Lessee have executed a new lease for a new term, or agreed to an extension of this lease in writing. Absent an approved Lease Agreement, the Lessee shall vacate the Premises on or before the ending date of this Lease Agreement by removing all structures thereon. If the City and Lessee enter a new lease, or an extension of this Lease, the monthly lease payment shall be reviewed and adjusted in accordance with the provisions of Section 2.56.210 of Title 2, Article III of the Thorne Bay Municipal Code.

3. **Occupancy.** Lessee was granted occupancy of the Premises on or about October 31, 2014. Lessee will be granted continued occupancy of premises upon signature of this lease renewal.

4. **Rent.** This is a triple-net Lease with Lessee responsible for rent and taxes as defined herein. Lessee agrees to pay to Lessor rent at the rate of rate of **\$1,000.00 per month** on or before the first day of each calendar month beginning November 1, 2017, payable to Lessor and mailed to City of Thorne Bay, PO Box 99110, Thorne Bay, Alaska 99919. Payments received after the 10th day of the month will be subject to a 10% late charge.

4.1. **Amendment to Rent:** **\$300.00 per month commencing the 1<sup>st</sup> of the month following a fully executed lease, expiring on October 31, 2018.**

5. **Purchase.** Lessee is the owner of the modular building and equipment, personal property, and inventory per the sales agreement entered into on October 14, 2014.

6. **Annual Rent Adjustment.** The parties agree that if the Lessor and Lessee execute a new lease for a new term, or agreed to an extension of this lease in writing the monthly rent shall be subject to adjustment mutually agreed upon by both parties. Under no circumstances shall the rental price be decreased from the amount charged at the outset of this Lease until the rent amount charged at the outset of this Lease has been paid for twelve (12) months.

**AMENDMENTS TO LEASE  
CITY OF THORNE BAY – SISD  
LEASE OF CITY OWNED LAND FOR RESTAURANT BUILDING:**

**Description of lease and term:**

1. **Leased Premises.** City owned municipal land, located easterly of the City owned boat launch facility as shown on the attached map within the corporate boundaries of the City of Thorne Bay.
2. **Term.** The term of this Lease shall be for a one (1) year term commencing **November 1, 2017 and terminating October 31, 2018.**

**1<sup>st</sup> Amendment:**

Amendment of Section 4. Rent, creating amendment section 4.1. Amendment to Rent; providing for a reduction in rental rate from \$1,000.00 per month, to \$300.00 per month commencing the 1<sup>st</sup> of the month following a fully executed lease, expiring on October 31, 2018. Passed and approved by the City Council on March 6, 2018.

**2<sup>nd</sup> Amendment:**

Amendment of Section 19. Assignments and Subleases. Providing for subletting for purpose of restaurant operations. Lessee shall not assign the Lease or any interest in the lease for any purpose and shall not sublet the Premises or any part thereof and shall not permit any person to occupy or use the Premises except upon Lessor's written consent. **The lessor may consent to the lessee subletting the property in exhibit "a" to allow for the operation of a restaurant.** Any unapproved assignment or sublease shall be void. Lessor reserves the right to withhold consent. Passed and approved by the City Council on April 17, 2018

Amendment Dated this 18<sup>th</sup> day of April 2018.

LESSOR: THE CITY OF THORNE BAY

By Robert Hartwell  
Robert Hartwell, Mayor Pro-Tempore

LESSEE: SISD

By Lauren Burch  
Lauren Burch or Allen Schwab,  
Superintendent, Authorized Signer

ATTEST:

Teri Feibel  
Teri Feibel, Certified Municipal Clerk

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