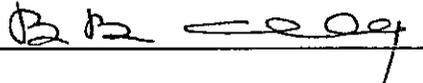


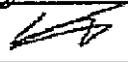
CITY OF PALMER ACTION MEMORANDUM 08-061

SUBJECT: Authorize the City Manager to Enter into and Execute an "Assignment of City of Palmer Airport Lease Agreement and Consent Thereto by the City of Palmer, Alaska" Involving Airport Lease Agreement 91-2 and Assignment of the Lease from Hinchinbrook Equipment, Inc. to New Horizons Telecom, Inc.

AGENDA OF: September 9, 2008

Authorized

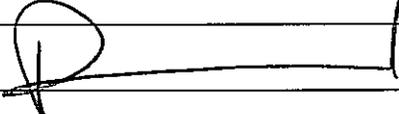
Approved for presentation by B. B. Allen, City Manager 

Route To:	Department/Individual:	Initials:	Remarks:
X	Originator - Administration		
X	City Clerk	yr	
X	City Attorney		
	Director of Public Safety		
	Director of Administration		
X	Director of Community Services	pk	
	Director of Public Works		

Attachment(s): Lease Assignment Document
Summary of Economic Impact

Finance Director's Certification of Funds:

X	No fiscal impact.	
	Funds are budgeted from this account number:	
	Funds are not budgeted. Budget modification is required. Affected account number:	

Finance Director Signature: 

Summary statement: This document is an assignment of an existing lease at the Palmer Municipal Airport from Assignor Hinchinbrook Equipment Inc. to Assignee New Horizons Telecom, Inc. The term of the lease is for twenty years with an option to extend for twenty years. There are no changes in the lease, and there are no monetary considerations. The City is being asked to consent to the change.

Administration recommendation: Approve action memorandum 08-061.

City of Palmer • Summary of Economic Impact

Does the proposed legislative action have an economic impact on the City? Yes No

Proposed Legislative Action:

Resolution Memorandum 08-061: Authorize the City Manager to Enter into and Execute an "Assignment of City of Palmer Airport Lease Agreement and Consent Thereto by the City of Palmer, Alaska" Involving Airport Lease Agreement 91-2 and Assignment of the Lease from Hinchinbrook Equipment, Inc. to New Horizons Telecom, Inc.

List all of the costs associated with enactment of the legislation:

List the corresponding funding source:

		Source:	Amount:
Implementation:	\$	_____	\$ _____
Capital:	\$	_____	\$ _____
Operation:	\$	_____	\$ _____
Maintenance:	\$	_____	\$ _____
Total:	\$		\$ _____

Revenues (list the affected line item name and number):

Operating funds:	FY08	FY09	FY10	FY11
_____	\$ _____	\$ _____	\$ _____	\$ _____
_____	\$ _____	\$ _____	\$ _____	\$ _____
_____	\$ _____	\$ _____	\$ _____	\$ _____
_____	\$ _____	\$ _____	\$ _____	\$ _____
Total:	\$ _____	\$ _____	\$ _____	\$ _____

Enterprise funds:	FY08	FY09	FY10	FY11
_____	\$ _____	\$ _____	\$ _____	\$ _____
_____	\$ _____	\$ _____	\$ _____	\$ _____
_____	\$ _____	\$ _____	\$ _____	\$ _____
_____	\$ _____	\$ _____	\$ _____	\$ _____
Total:	\$ _____	\$ _____	\$ _____	\$ _____

Capital funds:	FY08	FY09	FY10	FY11
_____	\$ _____	\$ _____	\$ _____	\$ _____
_____	\$ _____	\$ _____	\$ _____	\$ _____
_____	\$ _____	\$ _____	\$ _____	\$ _____
_____	\$ _____	\$ _____	\$ _____	\$ _____
Total:	\$ _____	\$ _____	\$ _____	\$ _____

Expenses (list the affected line item name and number):

Operating funds:

	FY08	FY09	FY10	FY11
	\$ _____	\$ _____	\$ _____	\$ _____
	\$ _____	\$ _____	\$ _____	\$ _____
	\$ _____	\$ _____	\$ _____	\$ _____
	\$ _____	\$ _____	\$ _____	\$ _____
Total	\$ _____	\$ _____	\$ _____	\$ _____

Enterprise funds:

	FY08	FY09	FY10	FY11
	\$ _____	\$ _____	\$ _____	\$ _____
	\$ _____	\$ _____	\$ _____	\$ _____
	\$ _____	\$ _____	\$ _____	\$ _____
	\$ _____	\$ _____	\$ _____	\$ _____
Total:	\$ _____	\$ _____	\$ _____	\$ _____

Capital funds:

	FY08	FY09	FY10	FY11
	\$ _____	\$ _____	\$ _____	\$ _____
	\$ _____	\$ _____	\$ _____	\$ _____
	\$ _____	\$ _____	\$ _____	\$ _____
	\$ _____	\$ _____	\$ _____	\$ _____
Total:	\$ _____	\$ _____	\$ _____	\$ _____

Are new positions required? Yes No

Position Title:

Position Type (full-time, part-time, temporary):

Approximate Cost:

_____	\$ _____
_____	\$ _____
_____	\$ _____

List impacts on existing programs created by the proposed legislation:

Fiscal effects of not passing the legislation:

***ASSIGNMENT OF CITY OF PALMER AIRPORT LEASE
AGREEMENT AND CONSENT THERETO BY THE CITY OF
PALMER, ALASKA***

This instrument, dated as of 04/30, 2008, pertains to City of Palmer Airport Lease Agreement 91-2, dated June 19, 1991 (herein referred to as the "Lease"), by and between the City of Palmer, Alaska (herein referred to as the "Lessor") and Hinchinbrook Equipment Inc. (herein referred to as the "Lessee" or the "Assignor"). In consideration of the payments of rents set forth in the Lease, the Lessor leased to the Lessee that real property as legally described in the lease.

The initial term of the Lease is for twenty (20) years with an option extend the Lease for an additional term of twenty (20) years subject to the absence of any default under the Lease terms.

This instrument includes the following: (1) Assignment of Lease, (2) Acceptance and Assumption of Assignment, and (3) Consent to Assignment.

ASSIGNMENT OF LEASE

The Assignor, John Lee, a/k/a Hinchinbrook Equipment Inc., hereby assigns, sells and transfers unto John Lee, New Horizons Telecom, Inc., as tenants by the entirety (herein referred to as the "Assignee"), whose address is 901 E. Cope Industrial Way, Palmer Alaska 99645, all of Assignor's right, title, and interest in and to the Lease. The Assignor agrees that the Assignee shall have the right to exercise all of the rights, duties, and covenants of the Assignor as set forth in the Lease.

The Assignor hereby represents, warrants, and certifies to the Lessor that all the Assignor's duties, responsibilities, obligations and covenants under the Lease have been completely and fully fulfilled, including without limitation the payment of taxes and the obtaining of adequate insurance (proof of which the Assignor has provided to the Lessor).

The Assignor further represents that the Lease is in full force and effect, that there is no event of default outstanding under the terms of the Lease, and that there shall be no assignments of the Lease except those previously executed.

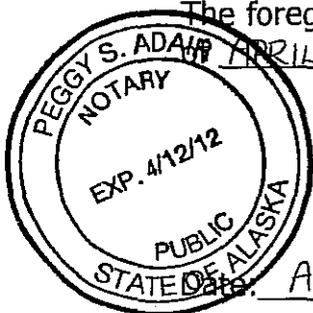
Finally, John Lee, whose address is 901 E. Cope Industrial Way, Palmer, Alaska 99645 (the "Guarantor"), personally and unconditionally guarantees the prompt,

full and complete performance of any and all the covenants and agreements of the Assignee in the performance of its obligations under the terms of the Lease. This guarantee shall remain in full force and effect until the termination of the Lease; provided, however, the Guarantor shall not be released from his obligations hereunder so long as any claim of the Lessor against the Assignee which arises out of, or relates to, directly or indirectly, the Lease, is not settled to the satisfaction of the Lessor or is discharged in full.

Date: 04/30/2008 John S Lee
Assignor
d/b/a Hinchinbrock Equipment

STATE OF ALASKA)
)ss:
THIRD JUDICIAL DISTRICT)

The foregoing Assignment of Lease was acknowledged before me this 30th day of APRIL, 2008, by JOHN S. LEE.



Peggy S Adair
Notary Public in and for Alaska
My Commission Expires: 4-12-12

Date: APRIL 30, 2008
Guarantor

STATE OF ALASKA)
)ss:
THIRD JUDICIAL DISTRICT)

The foregoing Assignment of Lease was acknowledged before me this 30th day of APRIL, 2008, by JOHN S. LEE.



Peggy S Adair
Notary Public in and for Alaska
My Commission Expires: 4-12-12

ACCEPTANCE AND ASSUMPTION OF ASSIGNMENT

For good and valuable consideration, the Assignee, John Lee, New Horizons Telecom Inc. hereby (i) acknowledges and accepts the foregoing Assignment, (ii) assumes all of the obligations contained in the Lease, and (iii) agrees to be bound by all the terms and conditions of said Lease.

Assignee:

Date: 04/30/2008 John S Lee
Name

Date: 04/30/2008 John S Lee
Name CEO NEW HORIZONS TELECOM INC

STATE OF ALASKA)
)ss:
THIRD JUDICIAL DISTRICT)

The foregoing Acceptance and Assumption of Assignment was acknowledged before me this 30th day of APRIL, 2008, by JOHN S. LEE.

Peggy S Adair
Notary Public in and for Alaska
My Commission Expires: 4-12-12

STATE OF ALASKA)
)ss:
THIRD JUDICIAL DISTRICT)

The foregoing Acceptance and Assumption of Assignment Lease was acknowledged before me this 30th day of APRIL, 2008, by JOHN S. LEE.

Peggy S Adair
Notary Public in and for Alaska
My Commission Expires: 4-12-12



