

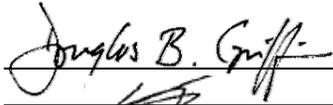
**CITY OF PALMER
ACTION MEMORANDUM NO. 13-073**

Subject: Authorize City Manager to Negotiate and Execute an Assumption of Proprietary Lease from Francois Vecchio and Christine Vecchio to Peter Drees for Palmer Hangars Owners Association Unit No. 7 Lot 11 Block 3 at the Palmer Municipal Airport

Agenda of: October 8, 2013

Council Action: Authorized _____

Approved for presentation by:

City Manager City Attorney City Clerk	  
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Certification of Funds:

Total amount of funds listed in legislation:	\$ <u> 0 </u>
This legislation (√):	
<input checked="" type="checkbox"/> Has no fiscal impact	
Creates:	
<input type="checkbox"/> A negative fiscal impact in the amount of:	\$ _____
<input type="checkbox"/> A positive fiscal impact in the amount of:	\$ _____
<input type="checkbox"/> Funds are budgeted.	
Funds are budgeted from this (these) line item(s):	
a) ➤	\$ _____
b) ➤	\$ _____
a) Funds originally budgeted in line item :	\$ _____
Difference in budgeted funds:	\$ _____
b) Funds originally budgeted in line item :	\$ _____
Difference in budgeted funds:	\$ _____
<input type="checkbox"/> Funds are not budgeted.	
Budget amendment required in the total amount of:	\$ _____
Affected line item(s):	
➤	\$ _____
➤	\$ _____
<input type="checkbox"/> General fund unassigned balance (after budget modification)	\$ _____
<input type="checkbox"/> Enterprise unrestricted net position (after budget modification)	\$ _____
Director of Finance signature certifying funds:	

Attachment(s):

- Lease Assumption Documents

Summary statement: Palmer Hangars Association is the lessee for the 9-unit T-Hangar complex constructed on Yukon Drive at the Palmer Municipal Airport. Palmer Hangars Association has a proprietary lease agreement with Francois Vecchio and Christine Vecchio, for Unit 7. They are assigning this lease to Peter Drees. The administration recommends that the Council authorize the City Manager to negotiate and execute an assumption of this proprietary lease with the condition that the City receives the following: (1) Copy of fully executed proprietary lease assumption; and (2) Completed tenant contact information sheet.

The Palmer Hangars Owners Association maintains liability insurance on this entire T-Hangar complex. The lease agreement is between the City of Palmer and the Palmer Hangars Association.

Administration recommendation: Approve action memorandum 13-073.

**ASSIGNMENT AND ASSUMPTION OF PROPRIETARY LEASE
AND TRANSFER OF CERTIFICATE OF MEMBERSHIP**

THIS ASSIGNMENT AND ASSUMPTION OF LEASE AND TRANSFER OF CERTIFICATE OF MEMBERSHIP (the "Assignment") is made and entered into and effective as of the _____ day of _____, 2013, by and between FRANCOIS VECCHIO and CHRISTINE VECCHIO, husband and wife, ("Assignor"), whose address is 6 6th Street, Petaluma, CA 94952, and PETER DREES, a(n) _____ person, ("Assignee"), whose address is 4384 Lower Kogru Drive, Eagle River, AK 99577

RECITALS

WHEREAS, Assignor is currently the lessee under that certain Proprietary Lease Agreement (the "Lease") between Assignor and Palmer Hangars Owners Association, dated December 20, 2006, recorded April 13, 2007, Reception Number 2007-008720-0, with respect to certain airplane hangar space described as

That portion of Tract B, further described as, Unit 7 of Lot 11, Block 3, PALMER MUNICIPAL AIRPORT, according to the official plat thereof, filed under Plat Number 2006-15, Records of the Palmer Recording District, Third Judicial District, State of Alaska, and

WHEREAS, by mesne Assignments Palmer Hangars Owners Association obtained a lease from the City of Palmer at the Palmer Airport as to the following described property

Lot 11, Block 3, Preliminary Plat for the Palmer Municipal Airport, Palmer Recording District, Third Judicial District, State of Alaska;

and all terms and conditions of said Airport Lease and compliance therewith apply to this Assignment and Assumption of Proprietary Lease and Transfer Of Certificate Of Membership, all as more fully set forth in said Proprietary Lease; and

WHEREAS, Assignor desires to assign their right, title, and interest under the Proprietary Lease to Assignee, and further transfers the Certificate of Membership in and to said Unit 7, and Assignee desires to accept and assume the right, title, and interest of Assignor under the Proprietary Lease and Certificate of Membership;

NOW, THEREFORE, in consideration of the foregoing and the covenants and agreements contained herein, the parties agree as follows:

Dalrymple Law, P C • 927 S Cobb Street, Palmer AK 99645 • 907-745-6332 • www.matsulaw.com

Assignment and Assumption of Proprietary Lease and Transfer of Certificate of Membership, Page 1

Section 1. Assignment of Proprietary Lease and Transfer of Certificate of Membership. Assignor hereby grants, transfers, conveys and assigns to Assignee all of their right, title and interest as Lessee under the Proprietary Lease and Certificate of Membership, and Assignee accepts such assignment, and except as provided in Section 2 below, assumes all obligations of Assignor thereunder, as of the effective date of this Assignment. Except as provided in Section 2 with respect to Claims (as such term is hereinafter defined), Assignee shall defend, indemnify and hold harmless Assignor from and against all Claims arising or occurring under the Proprietary Lease and Certificate of Membership after the effective date of this Assignment.

Section 2. Continued Liability of Assignor. Notwithstanding the provisions of Section 1 above, Assignor expressly agrees that they shall remain liable for all obligations and claims (the "Claims"), including, but not limited to, indemnity obligations, arising or occurring under the Proprietary Lease and Certificate of Membership prior to the effective date of this Assignment, irrespective of whether a Claim is made after the effective date of this Assignment. Assignor shall defend, indemnify and hold harmless Assignee from and against such Claims.

Section 3. Permits, Laws, and Taxes. The assignee shall acquire and maintain, in good standing, all permits, licenses and other entitlements necessary to the performance under this Agreement. All actions taken by the assignee under this Agreement shall comply with all applicable statutes, ordinances, rules and regulations, including, but not limited to the Palmer Municipal Code, and all state and/or federal laws and regulations. The assignee shall pay all taxes pertaining to its performance under this Agreement.

Section 4. Other Instruments/Actions. The parties agree to execute such further reasonable instruments, to take such further reasonable actions, and to make any additional reasonable transfers as may be necessary to carry out the purpose and intent of this Assignment.

Section 5. Miscellaneous.

5.01. Governing Law/Remedies. This Assignment and the rights of the parties under it will be governed by and construed in all respects in accordance with the laws of the State of Alaska without giving effect to principles or provisions thereof relating to choice of law or conflict of laws. In any action to enforce the provisions of this Assignment, the prevailing party shall be entitled to reasonable attorney fees and court costs.

5.02. Waiver/Amendments. Any waiver must be in writing, and any waiver by any party of a breach of any provision of this Assignment shall not operate as or be construed to be a waiver of any other breach of that provision or of any breach of any other provision of this Assignment. The failure of a party to insist upon strict adherence to any term of this Assignment on one or more occasions shall not be considered a waiver or deprive that party of the right thereafter to insist upon strict adherence to that term or any other term of this Assignment. This Assignment shall not be altered, modified or otherwise amended except by an instrument in writing signed by both parties.

