

**City of Palmer
Action Memorandum No. 15-032**

Subject: Authorize City Manager to Negotiate and Execute an Assumption of Proprietary Lease from James G. Sanders and Constance Sanders to Chad Nuttall and David Nuttall for Palmer Hangars Owners Association Unit No. 9 Lot 11 Block 3 at the Palmer Municipal Airport

Agenda of: May 12, 2015

Council Action: Authorized

Originator Information:

Originator: Jeffrey Combs (Airport Superintendent)
Date: April 16, 2015 **Requested agenda date:** May 12, 2015

Department Information:

Route to:	Department Director:	Signature:	Date:
_____	Community Development	_____	_____
<u> x </u>	Finance	_____	_____
_____	Public Safety	_____	_____
_____	Public Works	_____	_____

Approved for presentation by:

	Signature:	Remarks:
City Manager	<u><i>Joseph A. Harrison</i></u>	_____
City Attorney	<u><i>[Signature]</i></u>	_____
City Clerk	<u><i>[Signature]</i></u>	_____

Certification of Funds:

Total amount of funds listed in this legislation: \$ 0

This legislation (√):
 Has no fiscal impact Creates a positive impact in the amount of: \$ _____
 Negative impact in the amount of: \$ _____

Funds are (√):
 Budgeted Line item(s): _____
 Not budgeted Affected line item(s): _____

General fund assigned balance (after requested budget modification): \$ _____
 Enterprise unrestricted net position (after requested budget modification): \$ _____
 Director of Finance Signature: *[Signature]*

Attachment(s):

- Palmer Hangers Owners Association Proprietary Lease with James G Sanders and Constance T Sanders
- AM 07-003 Authorize the City Manager to Consent to Palmer Hangers Proprietary Lease for units No. 1,3,4,5,6,8,9 Upon Their Sale
- Tenant contact information sheet
- Assignment and assumption of proprietary lease and transfer of certification of Membership
- City of Palmer Consent to Assignment
- Certificate of Insurance

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 James G. Sanders and Constance Sanders (Sanders) for Unit 9. The Sanders are assigning this lease to Chad Nuttall and David Nuttall.

In accordance with and in keeping with article 3, Compliance with Airport Lease, of the Palmer Hangers Owners Association Proprietary Lease with James G Sanders and Constance T Sanders, the assignor acknowledges their understanding of and agrees to be bound by and to comply with all terms of Palmer Municipal Airport Lease Agreement No. 05-02 (The Airport Lease), as if a lessee thereunder. The Assignor also acknowledges and agrees their rights under this Proprietary Lease are invalid and ineffective unless and until the City of Palmer executes a Consent to Lease Proprietary Lease as set forth in the Airport Lease, and the Assignor, in writing, agrees to be bound by the terms and conditions of the Airport Lease.

The administration recommends that the Council Authorize the City Manager to Negotiate and Execute an Assumption of Proprietary Lease from James G. Sanders and Constance Sanders to Chad Nuttall and David Nuttall for Palmer Hangars Owners Association Unit No. 9 Lot 11 Block 3 at the Palmer Municipal Airport with the condition that the City receives the following: (1) Copy of fully executed proprietary lease assumption; and (2) Completed tenant contact information sheet.(3) Certificate of Insurance.

Administration recommendation: Approve action memorandum 15-032



City of Palmer • Palmer Municipal Airport
231 W. Evergreen Avenue • Palmer, AK 99645
 Phone: 907-745-3271 Fax: 907-745-0930

CONSENT TO ASSIGNMENT

In consideration of and in reliance upon the above assumption and promises contained in this instrument and in Palmer Municipal Lease No. 05-02, the City of Palmer hereby consents to the foregoing Assignment and Assumption of Proprietary Lease and Transfer of Certificate of Membership of Unit 9, Lot 11, Block 3, Plat for the Palmer Municipal Airport, Palmer Recording District, Third Judicial District, and State of Alaska from JAMES G. SANDERS and CONSTANCE T. SANDERS, ("Assignor") to CHAD NUTTALL and DAVID NUTTALL, ("Assignee").

Current Palmer Municipal Lease No 05-02 (The Airport Lease) is in Effect. Nothing in this consent to assignment of proprietary lease is intended to amend or alter any of the terms and conditions of the Airport Lease or any amendments thereto previously executed by Lessor and Lessee. Palmer Municipal Lease No. 05-02 remains in full force and effect.

This consent to assignment of lease will not release the Assignor from obligations under the Airport Lease should the new Lessee default. In the event of the default of the Assignee, the lease agreement shall revert to the Assignor. In the event of inconsistency among the documents related to this transaction, the terms and conditions of Palmer Municipal Lease No. 05-02 take priority.

City of Palmer

Date: _____
 Joe Hannan, City Manager

STATE OF ALASKA)
)ss:
 THIRD JUDICIAL DISTRICT)

The foregoing Consent to Assignment of Proprietary Lease _____
 was acknowledged before me this ____ day of _____, 2015, by
 _____.

 Notary Public in and for Alaska
 My Commission
 Expires:_____

**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 15 day of April, 2015, by and between JAMES G. SANDERS and CONSTANCE T. SANDERS, husband and wife, ("Assignor"), whose address is 3909 River Crest Circle, Leesburg, FL 34748, and CHAD NUTTALL, a(n) married person, and DAVID NUTTALL, a(n) _____ person, ("Assignee"), whose address is 2222 W. Pinnacle Peak Road Suite 190, Phoenix, AZ 85027.

RECITALS

WHEREAS, Assignor is currently the lessee under that certain Proprietary Lease Agreement (the "Lease") between Assignor and Palmer Hangars Owners Association, dated October 8, 2007, recorded October 26, 2007, Reception Number 2007-027617-0, with respect to certain airplane hangar space described as

Unit No. 9, Lot 11, Block 3, Plat for the Palmer Municipal Airport, 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, 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 9, 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:

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



CITY OF PALMER

231 West Evergreen Avenue
Palmer, Alaska 99645
Phone (907) 745-3271 • Fax (907) 745-0930
www.cityofpalmer.org

Palmer T- Hangar Complex No. 9

Aircraft Number: N5168N

Owner: Chad Nuttall + David Nuttall

Mailing Address: 1110 E Hidden Ranch Cir.
Palmer, AK 99645

Physical Address if different than Mailing: Same

Telephone: Daytime: 907-982-3453

Evening: same

Cell/Pager: same

In case of Emergency and the primary owner is not available:

Name: Katy Nuttall

Mailing Address: 1110 E Hidden Ranch Cir
Palmer, AK 99645

Proposed Use: Personal

Owners Signature: Chad Nuttall

Date: 4/16/15

Please note: Page 2 and 3 of the Consent to Proprietary Lease lists the insurance requirements of the lease.

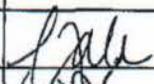
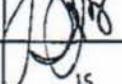
CITY OF PALMER ACTION MEMORANDUM

SUBJECT: Authorize the City Manager to Consent to Palmer Hangars Owners Association Proprietary Lease for Units No. 1, 3, 4, 5, 6, 8, 9, Upon Their Sale

AGENDA OF: January 9, 2007

Council action: Authorized

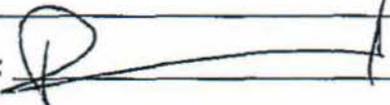
Approved for presentation by Tom Healy, City Manager 

Route To:	Department/Individual:	Initials:	Remarks:
x	Originator – Airport Manager		
X	City Clerk		
x	City Attorney	JS	add 4 below - not in default.
	Emergency Services Director		
	Finance Director		
	Library Director		
	Police Chief		
	Public Works Director		

Attachment(s):

Fiscal note:

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: Palmer Hangars Owner Association is the lessee for a 9 unit T-hangar complex constructed on Yukon Drive at the Palmer Municipal Airport. Authorizing this consent will permit the sale of the remaining units to close with out prior council approval.

Administration recommendation: Authorize the City Manager to execute the Consent to Proprietary Lease for Units 1, 3, 4, 5, 6, 8, and 9 conditioned on receipt of the following:

1. Copy of fully executed Proprietary Lease
2. Completed Tenant contact information sheet is filled out
3. Certificate of Insurance in accordance with the requirement of the proprietary lease is received.
4. Tenant is not in default under the lease from the City.

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A

2007-027617-0

Recording Dist: 311 - Palmer
10/26/2007 10:34 AM Pages: 1 of 14



CC

PALMER HANGARS OWNERS ASSOCIATION
PROPRIETARY LEASE

WITH JAMES G SANDERS AND CONSTANCE T. SANDERS

AS TO UNIT NO. 9

OF THE PALMER HANGARS COOPERATIVE

MS 75208

THIS AGREEMENT, made and entered into this 8TH day of OCTOBER, 2007, by and between Palmer Hangars Owners Association (hereinafter the "Association"), Lessor, an Alaska nonprofit corporation, of 21919 BARKLEY DRIVE EAGLE RIVER, AK 99577 and JAMES G SANDERS AND CONSTANCE T. SANDERS OF PO BOX 1747 PALMER, AK 99645 (hereinafter "Member"), Lessee.

WHEREAS, through Declarant, the Association obtained a lease from the City of Palmer at the Palmer Airport (hereinafter "Airport Lease") as to the following described property (hereinafter "Leased Premises"):

Lot 11, Block 3, on the preliminary plat for the Palmer Municipal Airport.

Palmer Recording District, Third Judicial District, State of Alaska

WHEREAS, Declarant constructed an aircraft hangar facility (hereinafter "Palmer Hangars" on the Leased Premises; and

WHEREAS, the Association was formed for the purpose of operating a leasehold cooperative under the Alaska Common Interest Ownership Act (AS 34.08) as to the Palmer Hangars, with the intent that Association Members shall have the right to occupy and use the Palmer Hangars and its individual units under the terms and conditions hereinafter set forth; and

WHEREAS, this Agreement is a Proprietary Lease as defined by AS 34.08.990(25), and attached hereto as Exhibit A is a Certificate of Membership to which this Proprietary Lease appertains;

NOW, THEREFORE, for valuable consideration paid to Declarant, Palmer Hangars, LLC, receipt of which is hereby acknowledged, and in consideration of the mutual promises contained herein, the Association hereby subleases to the Member, and the Member hereby takes from the Association, Unit No. 9.

TO HAVE AND TO HOLD said unit unto the Member, his executors, administrators and authorized assigns, on the terms and conditions set forth herein, commencing on the date of this Proprietary Lease, and terminating on June 30, 2025, unless terminated earlier as provided herein, or extended as provided by the Airport Lease.

Return to: *James and Constance Sanders*
P.O. Box 1747
Palmer, AK 99645

ARTICLE 1
DEFINITIONS

Capitalized terms contained in this Proprietary Lease shall have the same definitions and meanings set forth in the Declaration.

ARTICLE 2
MEMBER'S RIGHTS

In return for the Member's continued fulfillment of the terms and conditions of this Proprietary Lease, the Association covenants that the Member may, at all times while this Proprietary Lease remains in effect, have and enjoy for the Member's sole use and benefit the unit above described, and may enjoy in common with all other Members of the Association the use of all common community property and facilities.

ARTICLE 3
COMPLIANCE WITH AIRPORT LEASE

The Member acknowledges his understanding of and agrees to be bound by and to comply with all terms of the Airport Lease as if a lessee thereunder. The Member acknowledges his rights under this Proprietary Lease are subject to the Airport Lease. The Member also acknowledges and agrees his rights under this Proprietary Lease are invalid and ineffective unless and until the City of Palmer executes a Consent to Proprietary Lease as set forth in the Airport Lease, and the Member, in writing, agrees to be bound by the terms and conditions of the Airport Lease.

ARTICLE 4
**COMPLIANCE WITH DECLARATION, ARTICLES,
BYLAWS, AND RULES AND REGULATIONS**

The Member agrees to preserve and promote the cooperative ownership principles on which the Association has been founded. The Member acknowledges his understanding of and agrees to be bound by and to comply with all of the terms of the Declaration, Articles of Incorporation, Bylaws, rules and regulations of the Association, and any amendments and additions thereto.

ARTICLE 5
USE AND OCCUPANCY OF PREMISES

The Member shall utilize the unit for himself and/or his guests and invitees, subject to the following restrictions:

The units may be used for any purpose authorized or allowed under the Airport Lease. The units shall not be used for any unlawful purpose or for any purpose or use that may



constitute a nuisance or hazard to health, safety or property. The units shall not be used or occupied for any purpose in violation of any law, lawful order, or rule or regulation concerning the operation or use of Palmer Airport. No unit may be used for any residential occupancy.

The Member shall not permit or suffer anything to be done or kept upon the common interest community which will increase the rate of insurance on the building, or on the contents thereof, or which will obstruct or interfere with the rights of other occupants, or annoy them by unreasonable noises or otherwise, nor will he commit or permit any nuisance on the common interest community, or commit or suffer any illegal act to be committed thereon. If by reason of the use of the premises by the Member the rate of insurance on the building shall be increased, the Member shall become personally liable for the additional insurance premiums.

ARTICLE 6 ALTERATIONS AND ADDITIONS

The Member agrees to comply with the architectural standards set out in the Declaration. The Member shall not, without the prior written consent of the Association, make any structural alterations on the premises or in the water, gas or pipes, electrical conduits, plumbing or other fixtures connected therewith, or remove any additions, improvements or fixtures from the unit.

If the Member for any reason abandons the unit, he shall surrender to the Association possession thereof, including any alterations, additions, fixtures and improvements.

ARTICLE 7 TRANSFER OF INTEREST

The Member may transfer his rights and membership, but only as allowed herein and under the Declaration. Transfer of a Member's right under this Proprietary Lease requires prior written consent by the Association, which consent will require compliance with all terms of this Proprietary Lease, payment of all amounts owed to the Association, and execution by the transferee of a Proprietary Lease. Transfer of the Member's rights is also subject to written consent by the City of Palmer, which consent will require execution of certain documents, including a Consent to Proprietary Lease (Exhibit E to Declaration) and Termination of Proprietary Lease (Exhibit G to Declaration).

ARTICLE 8 MANAGEMENT, TAXES AND INSURANCE

The Association shall provide necessary management, operation and administration of the common interest community; pay or provide for the payment of all taxes or assessments levied against any common areas of the common interest community; procure and pay or provide for the payment of fire insurance and extended coverage, and other insurance as required by any mortgage on property in the common interest community, and such other insurance as the Association may deem advisable on the property in the common interest community. The



Association will not, however, provide insurance on the Member's interest in the unit or on the Member's personal property.

ARTICLE 9
UTILITIES AND TAXES

The Association shall provide access to electricity for the unit, and may provide water, sewer, trash removal and other utilities if it deems them reasonable and appropriate. The Member shall pay directly for electricity and all other utilities not provided by the Association, and all personal and property taxes assessed on the unit.

ARTICLE 10
COMMON EXPENSES

The Member agrees to pay to the Association the Member's proportionate share of the common expenses, as defined in the Declaration and determined by the Board of Directors. The common expenses shall include, but not be limited to, the following items:

- (a) The costs of all management, operation and administration of the common interest community and related services furnished, including payments on the Airport Lease;
- (b) The cost of any necessary repairs and restoration to the Association's property;
- (c) The amount of all taxes and assessments levied against the common interest community, including the building, which the Association is obligated to pay;
- (d) The cost of fire and extended coverage insurance on the common interest community and such other insurance as the Association may effect or as may be required by any mortgage on the common interest community;
- (e) The cost of obtaining or furnishing any utilities as services related to the common areas;
- (f) All reserves set up by the Board of Directors pertaining to the common interest community;
- (g) The estimated cost of future repairs, maintenance and replacements, or Capital Improvement Assessments of the common interest community property to be made by the Association;
- (h) Any other expenses of the Association approved by the Board of Directors, including operating deficiencies, if any, for prior periods; and



- (i) All other common expenses set out in the Declaration.

The Board of Directors shall determine the amount of the common expenses annually, but may do so at more frequent intervals should circumstances so require. No Member shall be charged with more than his proportionate share thereof as determined by the Board of Directors. The Board of Directors shall determine the timing of payment of the common expenses.

ARTICLE 11
SPECIAL ASSESSMENTS

The Member agrees to pay all Special Assessments and such other amounts, as set forth in the Declaration.

ARTICLE 12
LATE CHARGES AND OTHER COSTS IN CASE OF DEFAULT

The Member agrees that, in addition to the other sums that have become or will become due, pursuant to the terms of this Agreement, the Member shall pay to the Association a late charge in an amount to be determined from time to time by the Board of Directors for each payment of Common or Special Assessments, or part thereof, more than ten (10) days in arrears.

If a Member defaults in making a payment of Common or Special Assessments, or in the performance or observance of any provision of this Agreement, and the Association has obtained the services of any attorney with respect to the defaults involved, the Member covenants and agrees to pay to the Association any costs or fees involved, including reasonable attorney's fees, notwithstanding the fact that a suit has not yet been instituted. In case a suit is instituted, the Member shall also pay the costs of the suit in addition to other aforesaid costs and fees.

ARTICLE 13
INDEMNITY AND HOLD HARMLESS

To the full extent permitted by law, the Member agrees to indemnify and hold harmless the Association, each and every other Member of the Association, the Declarant, and the City of Palmer from and against any and all losses, claims, damages, liabilities and obligations, of any kind or nature, including reasonable attorney's fees and costs, arising out of or relating in any way to the use or occupancy of the Member's unit or the Palmer Hangars common areas, limited common areas or facilities.

ARTICLE 14
SUBORDINATION CLAUSE

The common interest community, of which the unit is a part, is located on real property owned by the City of Palmer and leased to the Association. The parties hereto agree that this Agreement and all rights, privileges and benefits hereunder are and shall be at all times subject to

PROPRIETARY LEASE
PALMER HANGARS OWNERS ASSOCIATION
Page 5 of 9



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2007-027617-0

and subordinate to the leasehold rights of the City of Palmer, and also to any mortgage or deed of trust which may at any time hereafter be placed on the property of the Association or any part thereof. The Member hereby agrees to execute, at the Association's request and expense, any instrument which the Association or the City of Palmer or any lender may deem necessary or desirable to effect the subordination of this Agreement, and the Member hereby appoints the Association and each and every officer thereof, and any future officer, his irrevocable attorney-in-fact during the term hereof to execute any such instrument on behalf of the Member. The Member does hereby expressly waive any and all notices of default and notices of termination of the Airport Lease or foreclosure of any mortgage or deed of trust on the Association's leasehold which may be required by law.

In the event a waiver of such notices is not legally valid, the Member does hereby constitute the Association his agent to receive and accept such notices on the Member's behalf.

ARTICLE 15
DEFAULT BY MEMBER

Any of the following events shall constitute a default by the Member:

- (a) The Member ceases to be the owner and legal holder of a membership in the Association;
- (b) The Member attempts to transfer or assign his interest in a manner inconsistent with the provisions of the Declaration or Airport Lease;
- (c) Anytime during the term of this Agreement the Member is declared bankrupt under the laws of the United States, except with the consent of the Board of Directors;
- (d) Anytime during the term of this Agreement a receiver of the Member's property is appointed under any of the laws of the United States or of any state, except with the consent of the Board of Directors;
- (e) The Member makes a general assignment for the benefit of creditors;
- (f) The Member's interest in the cooperative is levied upon and sold under the process of any court;
- (g) The Member fails to pay any sum owed to the Association under this Proprietary Lease, the Declaration or otherwise; or
- (h) The Member fails to abide by the terms of this Proprietary Lease, the Airport Lease, the Declaration, or the Association's Articles, Bylaws, or rules and regulations in effect at the time.



Upon default, the Association may at its option give to the Member a notice that this Proprietary Lease will expire at a date not less than ten (10) days thereafter. If the Association so proceeds, all of the Member's rights under this Proprietary Lease will expire on the date so fixed in such notice, unless in the meantime the default has been cured in a manner deemed satisfactory by the Association. It is the intention of the parties hereto to create hereby conditional limitations, and it shall thereupon be lawful for the Association to reenter the unit and to evict all persons and personal property therefrom in the same manner as provided by law in case of an unlawful holdover by a commercial tenant. Further, in the event of a default, the Association shall be entitled to all other remedies set forth in the Declaration or available under law.

The failure on the part of the Association to avail itself of any of the remedies given under this Agreement or at law shall not waive or destroy the right of the Association to avail itself of such remedies for similar or other breaches on the part of the Member.

ARTICLE 16 **NOTICES**

Whenever the provisions of law, the Declaration or this Proprietary Lease require notice to be given to the other party hereto, any notice by the Association to the Member shall be deemed to have been duly given, and any demand by the Association upon the Member shall be deemed to have been duly made, if the same is delivered to the Member at the Member's last known address; and any notice or demand by the Member to the Association shall be deemed to have been duly given if delivered to the office of the Association. Notice may also be given by depositing same in the United States mail, and the time of mailing shall be deemed to be the time of giving of such notice.

ARTICLE 17 **REPRESENTATIONS**

No representations other than those expressly contained in this Agreement, the Declaration, the Articles of Incorporation and the Bylaws of the Association shall be binding upon the Association.

ARTICLE 18 **REMEDIES**

The exercise of any of the rights or remedies as herein provided with respect to any default shall not preclude or affect the subsequent exercise of such rights or remedies at different times for different defaults.

The respective rights or remedies, whether provided by this Agreement or by law or available in equity, shall be cumulative, and the exercise of any one or more of such rights or



Date: 10/8/07

James G Sanders
JAMES G SANDERS

Date: 10/8/07

Constance T Sanders
CONSTANCE T. SANDERS

STATE OF ALASKA)
) ss.
THIRD JUDICIAL DISTRICT)

THIS IS TO CERTIFY that on the 8 day of OCTOBER, 2007, before me the undersigned, a Notary Public in and for the State of Alaska, duly commissioned and sworn, personally appeared **JAMES G. SANDERS AND CONSTANCE T. SANDERS**

to me known to be the person named herein and who executed the foregoing PROPRIETARY LEASE, and acknowledged that he signed the same as his free and voluntary act and deed, for the uses and purposes therein mentioned.

GIVEN UNDER MY HAND and official seal the day and year last written above.



Terri Wesley
Notary Public in and for Alaska
My commission expires: _____



Customer No 999578
 Certificate No A-000017296

CERTIFICATE of INSURANCE

This certificate is issued to

City of Palmer
 231 West Evergreen Avenue
 Palmer, AK 99645

On behalf of Named Insured Chad Nuttall or David Nuttall
 1110 E. Hidden Ranch Circle
 Palmer, AK 99645

Insurer U.S. Specialty Insurance Company

Issuing Insurer Policy No. PND999578

Policy Period March 18, 2015 to March 18, 2016

Insured Aircraft	Coverage	Limits of Liability
1980 CESSNA 182Q, N5168N Serial No.:	Single Limit Bodily Injury & Property Damage Liability	\$1,000,000 each occurrence limited to \$100,000 per passenger
	Aircraft Physical Damage	\$170,000 insured value Ground and Flight
Deductibles:	\$2500 in motion \$250 not in motion	

Additional Coverages or Agreements

- 1 The Certificate Holder is included as an Additional Insured with respect to operations of the Named Insured.

This certificate is issued for information purposes only. It certifies that the policies listed in this document have been issued to the Named Insured. It does not grant any rights to any party nor can it be used, in any way, to modify coverage provided by such policies. Alteration of this certificate does not change the terms, exclusions or conditions of such policies. Coverage is subject to the provisions of the policies, including any exclusions or conditions, regardless of the provisions of any other contract such as between the Certificate Holder and the Named Insured. Notice is hereby given that AOPA Insurance Services is not the Insurer hereunder and shall not be held liable for any loss or damage. Should any of the above described policies be cancelled before the expiration date thereof, the Issuing Insurer will endeavor to provide thirty (30) days advance notice to the Certificate Holder, but failure to do so shall impose no obligation or liability of any kind upon the Insurer, its agents or representatives.

Date of Issue: April 15, 2015

By: *Brenda J. Jennings*
 Authorized Representative

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AOPA INSURANCE SERVICES
 OFFICE 1995 MIDFIELD ROAD WICHITA, KS 67209
 MAIL P.O. BOX 9170 WICHITA, KS 67277
 P 800-622 AOPA[2672] F 316 942 0091
 aopainsurance.org

CONFIDENTIAL

0CERT-AL-AL-COI-0

2014-12-228981

999578

AOPA Insurance Agency (316) 942-2223

Policyholder: Chad Nuttall or David Nuttall
Assured #: 999578

referencing Section 12 of the Expansion of Coverage

12. Premises Extension
Under PART THREE - LIABILITY TO OTHERS -
Paragraph 1 "What We Cover" is extended to include
damage you are legally required to pay for bodily injury
or property damage caused by an occurrence
arising out of your legal use of premises at an airport.
Premises means the portion of an airport used
for the immediate parking, tiedown or storage of your
aircraft.

James Oliphant
Account Executive
AOPA Insurance Services - Aviation
P. O. Box 9170
Wichita, KS 67277
(800) 622-2672

James.oliphant@aopaia.com

Service your policy, on your schedule.
You asked, we listened - Request changes to your policy or request a copy of your certificate
aopainsurance.org/service

By Selecting AOPA Insurance Services to Meet Your Insurance Needs...
...you support AOPA in fighting to keep airports open, defeat user fees and encourage growth

Please be advised that we cannot bind or amend coverage via email, voicemail or fax. Please

If we have sent you an attachment with this communication and you have difficulty opening,

This communication contains confidential AOPA Insurance Services business information, and

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.

3.01. 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.

3.02. In accordance with and in keeping with Article 3, Compliance with Airport Lease, of the Palmer Hangers Owners Association Proprietary Lease with James G. Sanders and Constance T. Sanders, the assignor acknowledges their understanding of and agrees to be bound by and to comply with all terms of Palmer Municipal Airport Lease Agreement No. 05-02 (The Airport Lease), as if a lessee thereunder. The Assignor also acknowledges and agrees their rights under this Proprietary Lease are invalid and ineffective unless and until the City of Palmer executes a Consent to Lease Proprietary Lease as set forth in the Airport Lease, and the Assignor, in writing, agrees to be bound by the terms and conditions of the Airport Lease.

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 and the City of Palmer 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

ASSIGNEE:


CHAD NUTTALL

STATE OF ALASKA)
) ss.
THIRD JUDICIAL DISTRICT)

The foregoing instrument was acknowledged before me on 4/16/15, 2015, by CHAD NUTTALL.


Notary Public in and for Alaska
My Commission Expires: _____



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