

ATTACHMENT

DRAFT LEASE FOR HISTORIC STYLED STRUCTURE

BARGER-CORRINGTON BUILDING

KLONDIKE GOLD RUSH NATIONAL HISTORICAL PARK

SKAGWAY, ALASKA

CORRINGTON ENTERPRISES, LLC

LEASE FOR

BARGER-CORRINGTON BUILDING

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A. INTRODUCTION

Pursuant to the Barger-Corrington RFP offering, this LEASE, made by and between the Corrington Enterprises, LLC, hereafter referred to as the "Lessor" and _____, hereafter referred to as the "Lessee":

WITNESSETH

B. PREMISES

That Corrington Enterprises, LLC, for the consideration hereinafter set forth, hereby leases to the Lessee, for a term of _____ years and _____ months, beginning on _____ ("commencement date") and ending on December 31, _____, the following described property together with the building and improvements now located thereon as well as all improvements thereafter constructed in accordance with the provisions thereof (the portions of the land, leased portions of the building, and improvements are hereinafter collectively referred to as "the Premises").

1. LOCATION

The building known as the Barger-Corrington Building, located on the northeastern portion of Lot 1, Block 37, USS 13 (amended) (corner of 2nd Avenue and Broadway), Skagway, Alaska.

2. DESCRIPTION

The Barger-Corrington Building, 2nd Avenue and Broadway, is a one-story, wood frame historic replica commercial structure which has 40 feet of store front (along Broadway) and approximately 832 square feet on the first floor (see lease Exhibit A-2).

C. CONDITIONS

This LEASE is granted subject to the following conditions:

1. RENT

- 1.1 The Lessee shall pay to Corrington Enterprises, LLC as rent for the premises during the first year, the sum of \$_____.
- 1.2 Rent shall be paid monthly and due in advance on the first day of each month. The monthly rental payment shall be one/twelfth of annual rental amount. First payment shall be made on the commencement date.
- 1.3 The Lessee shall also pay to Corrington Enterprises, LLC, on demand, any sum which may have to be expended after the expiration, revocation or termination of this lease in order to return the premises to the condition required by Condition No. 17 hereof.

- 1.4 Rent shall be made payable to Corrington Enterprises, LLC and forwarded by the Lessee directly to the Lessor, in the form of a check or money order. Rent payment may also be deposited electronically using the Financial Communications System to an account identified by the Lessor.
- 1.5 Any amount of rent not paid within ten (10) days will be subject to an interest charge for each 10 day period, or portion thereof, plus an administrative charge of \$50.00 for each transaction related to the unpaid balance. The interest rate will be two (2) percent each 10 late days.

2. RENTAL ADJUSTMENTS

- 2.1 The rent for each subsequent year shall be the sum in dollars equivalent to the present purchasing power of \$ _____ .
- 2.2 Such rent shall be determined by dividing (the first year's rent (\$ _____) by (appropriate number), being the average index number for the 12 months immediately preceding commencement of the lease as appears in the Consumer Price Index and then multiplying that amount (\$) by the corresponding index number for the 12 months that precede the commencement of each subsequent year of this lease.

The Consumer Price Index (CPI) referred to is the "Consumer Price Index for All Urban Consumers, U.S. City Average, All Items, (1982-1984 = 100)" published by the U.S. Department of Labor, Bureau of Labor Statistics. If the CPI has not been published in time to be applied to the first monthly rental payment for a subsequent year, the lessee will pay by the first day of the month the lease amount for the previous month. After the CPI has been published, the additional rental amount applicable to the first month as a result of the application of the CPI will be paid at the time the second month's rent is due.

- 2.3 Immediately following the end of each five year period of this lease, the rent may be reconsidered for a period of 180 days. During the reconsideration period, Corrington Enterprises, LLC and/or the lessee may propose adjustments to the rent by mailing written notice to the other party of such proposal before the end of the reconsideration period. The reconsideration of value will be based upon an appraisal that has been reviewed and approved by Corrington Enterprises, LLC. If the parties fail to reach agreement on the adjustment within 60 days of the written notice of the adjustment, the adjustment determined by Corrington Enterprises, LLC shall go into effect, provided that, the lessee may extend this period by providing a second appraisal. The appeal must be in writing and include the lessee's detailed position regarding the basis for the disagreement. The final determination of Corrington Enterprises, LLC shall be conclusive and binding upon the parties. The final adjustment shall be retroactive to the commencement of the applicable lease period for which a notice of reconsideration was given.

3. INVENTORY AND CONDITION REPORT

- 3.1 As of the commencement date of this lease, a "Joint Survey and Inspection of Leased Property" (Exhibit B) of all personal property and improvements of the Government included in this lease shall be made by a representative of the Lessor and a representative of the Lessee to reflect the then present condition of said property. A copy of said inventory and condition report shall be attached to and become a part of, as fully as if originally incorporated in this lease.
- 3.2 At the expiration, revocation, or termination of this lease, a "Joint Survey and Inspection of Leased Property" (Exhibit B) shall be made by a representative of the Lessor and a representative of the Lessee. The "Joint Survey and Inspection of Leased Property" shall constitute the basis for settlement by the Lessee with the Lessor of leased property shown to be lost, damaged, or destroyed, any such property to be either replaced or returned to the condition required by Section 18 hereof, normal wear and tear excepted, or at the election of the Lessor reimbursement made therefore by the Lessee at the then current market value thereof.
- 3.3 The Lessee has inspected and knows the condition of the premises, and it is understood that the same is hereby leased without any representation or warranty by the Lessor whatsoever, and without obligation on the part of the Lessor to make any alterations, repairs, or additions thereto unless already agreed to in writing.

4. USE

- 4.1 The Lessee will use the premises and the improvements thereon for the purposes specified in the RFP and Approved Proposal (Exhibit C) and agreed to in this lease, and no other purpose, without the written consent of the Lessor.
- 4.2 Food preparation, food service, and overnight accommodation for the public are prohibited.
- 4.3 No storage or use of any other type is allowed in the crawl space, mechanical room, or exterior boardwalks and grounds.
- 4.4 This lease provides for no parking spaces for Lessee vehicles.
- 4.5 Specific merchandise items which fall into one or more of the following categories will not be sold or displayed:
- Illegally obtained materials (e.g. from protected areas, sources, or species).
 - Fraudulently labeled materials (as to source, manufacture, quality, or nature).
- 4.6 Exterior building signs and window signs must conform to the park's Historic Sign Guidelines and shall not be erected or displayed until approved by the Lessor and the Skagway Historic District Commission.

5. UTILITIES

- 5.1 The Lessee is responsible for water, sewage, electricity, and telephone service to the premises. The Lessor assumes no responsibility to provide the Lessee with these services.
- 5.2 The Lessee is to provide water and electricity, at Lessee's expense, for routine exterior maintenance to be performed by the Lessor to the building. Lessee also agrees to maintain at it's expense commercial telephone service year-round as required for off-site fire warning systems (i.e. Silent Knight).
- 5.3 The Building is heated by electric baseboard heater and supplied with an automatic fire sprinkler system.
- 5.4 The Lessee will provide regular trash removal.

6. MAINTENANCE

- 6.1 The Lessor will maintain the building's exterior and grounds, except as noted below, and will maintain fire warning and fire suppression systems, excluding fire extinguishers. The Lessor will maintain the mechanical/electrical room and associated equipment.
- 6.2 The Lessor shall maintain the heating system.
- 6.3 Daily cleaning and routine housekeeping, including windows, will be the responsibility of the Lessee and will be accomplished in a timely manner. Scrubbing methods and application of protective waxes shall not be used until approved by the Lessor.
- 6.4 The Lessee shall maintain and keep in good order and repair in a timely manner, all interior portions of the leased premises, including but not limited to ceilings, walls, floors, windows, lighting, electrical and plumbing systems within the leased premises, excluding the heating system.
- 6.5 No holes or mechanical fasteners will be allowed to penetrate the flooring in these rooms.
- 6.6 Lessee is responsible for protecting plumbing from freezing and the structure from extreme cold and will therefore maintain the interior premises at a minimum of 55° F. year around.
- 6.7 Lessee will immediately notify the Lessor of any malfunction of the heating, ventilating, fire warning, or fire suppression systems. During any periods of reduced or suspended operations, the Lessee will monitor interior conditions and facilitate any necessary entry into leased space (e.g. alarm calls, utility problems, etc.) Lessee will provide an exterior door key for the Skagway Fire Department to make emergency interior access in the event of a fire alarm occurring outside of normal business hours.
- 6.8 The Lessee shall keep boardwalks, porches or other walkways associated with the building free from snow, ice and/or other debris.
- 6.9 NOT USED

7. REHABILITATION OF PREMISES

- 7.1 The Lessee shall make all repairs and rehabilitation to the premises in accordance with "The Secretary of the Interior's Standards for Rehabilitation and Guidelines for Rehabilitating Historic Buildings" and the proposal for Leasing of Historic Structure submitted by Lessee.
- 7.2 The lessee must obtain Lessor approval prior to any rehabilitation, repair or other work on the premises. The Lessor will have forty-five (45) days after the submittal of proposed work, plans and specifications to approve or disapprove the proposed work.
- 7.3 The Lessee will provide the Lessor with copies of all drawings and historical data prepared by or for the Lessee.
- 7.4 Upon receiving the Lessor's written approval, the Lessee shall complete the work listed on the proposal within ninety (90) days or as otherwise provided by the Lessor.
- 7.5 The Lessee shall promptly pay any contractors, subcontractors, and material suppliers who or which may supply labor, work, or materials to the Lessee for rehabilitation or construction work on the premises. Should any lien be made or filed, or notice of lien be filed, the Lessee shall bond or discharge the same within fifteen (15) days thereafter.
- 7.6 During any construction work by the Lessee, the premises are to be maintained free from accumulations of waste materials and rubbish. Daily during progress of work, all areas shall be cleaned and waste materials, debris, and rubbish disposed of in on-site containers provided by the Lessee. All waste materials, debris, and rubbish are to be removed from the premises and properly disposed of at the Lessee's expense.

8. GROUND DISTURBANCE

Unless approved in writing by the Lessor, the Lessee shall cut no timber, conduct no digging, mining or drilling operations, remove no sand, gravel or kindred substances from the ground, commit no waste of any kind, or in any manner change the contour or condition of the premises, other than planting flowers.

9. COMPLIANCE WITH LAW

- 9.1 The Lessee shall comply with all applicable laws, ordinances, rules and regulations of Corrington Enterprises, LLC and the applicable state and local government wherein the premises are located.
- 9.2 The Lessee shall provide copies of all licenses and use and occupancy permits to the Lessor, prior to opening the premises for business.

10. TAXES AND ASSESSMENTS

The Lessee shall pay to the proper authority, when and as the same becomes due and payable, all real estate taxes, assessments, and similar charges, which, at any time during the term of this lease, may be taxed, assessed or imposed upon the Lessor or upon the Lessee with respect to or upon the premises.

11. INSURANCE

- 11.1 **LIABILITY INSURANCE** The Lessee shall purchase and maintain during the term of this lease Comprehensive General Liability Insurance and Worker's Compensation Insurance in compliance with state laws. The insurance shall cover against claims occasioned by actions or omissions of the Lessee in carrying out the activities and operations authorized hereunder. Insurance shall be not less than \$1,000,000 per occurrence, covering both bodily injury and property damage. All liability policies are to specify that the insurance company shall have no right of subrogation against Corrington Enterprises, LLC or its employees, or shall list Corrington Enterprises, LLC as an additional insured.
- 11.2 **FIRE AND EXTENDED COVERAGE** The Lessee shall purchase and maintain such standard fire, extended coverage, and other perils insurance on the premises as is determined by the Lessor to be necessary to insure the premises to the full replacement value thereof currently determined to be \$300,000. This amount may be revised by the Lessor annually.
- 11.3 **INSURANCE POLICIES** The Lessee shall procure such insurance and furnish either the original policy or policies, or certificate of insurance, to the Lessor. The commercial property policy must list Corrington Enterprises, LLC as the LOSS PAYEE.
- 11.4 Nothing herein contained shall be construed as an obligation upon the Lessor to restore or reconstruct the leased property or any part thereof.
- 11.5 **CERTIFICATES** A certificate or certificates of insurance indicating that the required insurance is in effect shall be provided by the Lessee to the Lessor. The Lessee shall provide to the Lessor thirty (30) days advance written notice of any material change in the Lessee's insurance. Updates of certificates of insurance are required within 30 days of renewal.

12. INDEMNITY

The Lessee shall save, hold harmless, defend and indemnify Corrington Enterprises, LLC, its agents and employees for losses, damages or judgments and expenses on account of fire or other peril, bodily injury, death or property damage of any nature whatsoever, and by whomsoever made, arising out of the activities of the Lessee, his employees, subcontractors, or agents under this lease.

13. LESSEE FAILURE TO PERFORM

- 13.1 This lease is made on the express condition that if the Lessee shall fail to keep and perform any of the covenants, agreements or conditions of this indenture, then this lease shall become void at the option of the Lessor.

Provided, that the Lessor shall first give to the Lessee at least thirty (30) days written notice of intention to forfeit this lease, and shall set forth therein the specific breach of lease and the Lessor's intention to re-enter the premises and declare this lease forfeited, if such breach be continued.

Such notice shall be served in the manner herein provided and after the expiration of said thirty (30) days notice this lease shall be void and terminated, provided the Lessee is then

in default, respecting the complaint of covenant, agreement or condition. The Lessor shall then be entitled to the possession of premises, and may enter into and upon the same on any part thereof and repossess the same and expel the Lessee and those claiming through or under it and remove their effects without liability and without any prejudice to any other remedies.

- 13.2 It is further agreed that this lease and all rights of the Lessee hereunder shall, at the option of the Lessor, terminate upon the filing or execution of: (a) a petition in bankruptcy by or against the Lessee; (b) a petition seeking relief of the same or different kind under any provision of the current Bankruptcy Act or its successors; (c) an assignment for the benefits of creditors; (d) a petition or other proceeding against the Lessee for the appointment of a trustee, receiver or liquidator; the taking by any person of the leasehold created hereby or any part thereof upon execution, attachment or other process of law or equity.
- 13.3 The waiver by the Lessor of any breach of any term, covenant or condition herein contained shall not be deemed to be a waiver of same or any other term, covenant or condition herein. The subsequent acceptance of rent hereunder by the Lessor shall not be deemed a waiver of any preceding breach by the Lessee of any term, covenant or condition of this lease, other than the failure of the Lessee to pay the particular rental so accepted, regardless of the Lessor's knowledge of such preceding breach at the time of acceptance of such rent. No covenant, term or condition of this lease shall be deemed to have been waived by the Lessor, unless such waiver be in writing executed by the Lessor. No payment by the Lessee or receipt by the Lessor of a lesser amount than the rental herein stipulated or described shall be deemed to be other than on account of the stipulated rental, nor shall any endorsement on any check or any letter accompanying any check of payment as rent be deemed an accord and satisfaction and the Lessor may accept such check or payment without prejudice as to the Lessor's right to recover the balance of such rent or pursue any other remedy.
- 13.4 In addition, the Lessor may terminate this lease for the convenience of the Government at any time, subject to any rights the Lessee may have under law to seek compensation for such termination.

14. INSPECTION

- 14.1 The right is hereby reserved to Corrington Enterprises, LLC, its officers, agents, and employees, to enter upon the said premises at any time for the purpose of inspection and inventory and when otherwise deemed necessary for the protection of the interests of the Government. The Lessee shall have no claim of any character on account thereof against Corrington Enterprises, LLC or any officer, agent, or employee thereof.
- 14.2 The Lessor plans to conduct an annual spring condition inspection of the leased premises and an annual inspection and testing of fire warning and suppression systems.

15. NO PREFERENTIAL RENEWAL AND RELOCATION ASSISTANCE

No rights shall be acquired by virtue of the lease entitling the Lessee to claim benefits under the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, Public Law 91-646. This lease does not provide the lessee with a preference right of future leases, if any.

16. CAPITAL IMPROVEMENTS

Capital improvements made by the Lessee shall be the property of Corrington Enterprises, LLC. No right for compensation of any nature shall exist for such property on the expiration of this lease.

17. VACATING PREMISES

17.1 All furniture, trade fixtures, chattel, and other personal property provided by the Lessee shall remain the property of the Lessee. On or before the date of expiration, termination or revocation by the Lessor, the Lessee shall vacate the premises, remove the personal property of the Lessee therefrom, and return the premises to as good order and condition as that existing upon the date of commencement of the term of this lease.

17.2 Damages due to normal wear and tear are excepted from Condition No. 17.1 hereof.

17.3 In any case, if the Lessee fails to remove said property or repair the premises, then at the option of the Lessor, said property shall either become the property of Corrington Enterprises, LLC without compensation therefore, or the Lessor may cause it to be removed and the premises to be repaired at the expense of the Lessee, and no claim for damages against Corrington Enterprises, LLC or its officers or agents shall be created by or made on account of such removal and repair work.

17.4 The lease will vest no property interest in improvements to the building(s).

17.5 Title to all real property and improvements remains with Corrington Enterprises, LLC without cost to Corrington Enterprises, LLC.

17.6 At the option of the Lessor, Lessee will remove, at Lessee's expense, alterations, additions or new construction made by the Lessee during the term of the lease.

18. ASSIGNMENT/SUBLEASE

18.1 The Lessee shall neither transfer nor assign this lease or any property on the premises, nor grant any interest, privilege, or license whatsoever in connection with this lease without the prior written permission from the Lessor. The parties hereto each agree that this lease shall be binding upon, inure to the benefit of, and be enforceable by their respective assigns and/or any successor in interest.

18.2 The Lessee shall not sub-lease all or part of the premises.

19. AMENDMENTS TO LEASE

This lease may be amended from time to time at the written request of either the Lessee or the Lessor with the written concurrence of the other party, so long as said amendments are in accord with applicable statutes and regulations.

20. JOINT LEASE

If more than one Lessee is named in this lease, the obligations of said Lessees herein contained shall be joint and several obligations.

21. DELEGATION/SUCCESSION OF AUTHORITY BY LESSOR

Except as otherwise specifically provided, any reference herein to the Lessor shall include duly appointed successors and authorized representatives.

22. ADDRESSES OF LESSOR AND LESSEE

All notices to be given pursuant to this lease shall be addressed, if to the Lessee, to:

or if to the Lessor, in care of:

Dennis Corrington
Corrington Enterprises, LLC
P. O. Box 322
Skagway, Alaska 99840-0322

or as may from time to time otherwise be directed by the parties. Notice shall be deemed to have been duly given if and when enclosed in a properly sealed envelope or wrapper, addressed as aforesaid and deposited postage prepaid by certified mail, return receipt requested, in a post office.

23. NOT USED

24. NOT USED

25. NOT USED

26. EXECUTION OF LEASE

This lease is prepared and executed in two (2) counterparts, and each counterpart shall be considered by the Lessee and Government to be an original.

27. RECORDING OF LEASE

The Lessee shall comply with any statutory requirements, at Lessee's expense, for recording of the lease.

28. EXHIBITS

The following exhibits are made part of this lease:

- A. DRAWINGS
 - 1. SITE PLAN
 - 2. FLOOR PLANS
 - 3. ELEVATIONS
- B. JOINT SURVEY AND INSPECTION OF LEASED PROPERTY
- C. RFP AND APPROVED PROPOSAL - EXHIBITS TO EXECUTED LEASE

D. CLOSING

IN WITNESS WHEREOF I have hereunto set my hand by authority of the President of Corrington Enterprises, LLC
this _____ day of _____, _____.
(month) (year)

WITNESS:

CORRINGTON ENTERPRISES, LLC

(Signature)

(NAME)

(TITLE)

(ADDRESS)

THIS LEASE is also executed by the Lessee this _____ day, of _____, _____.
(year)

WITNESS:

LESSEE:

(Signature)

(Signature)

NAME _____

ADDRESS _____

SSN or TIN Number, as required by the Debt Collection Improvement Act of 1996

EXHIBIT B

JOINT SURVEY AND INSPECTION OF LEASED PROPERTY

INSTRUCTIONS

1. If considered necessary, use a separate sheet for each room surveyed.
2. Additional sheets may be attached for physical characteristics of land and buildings; exterior and interior details of buildings; service facilities; inventory of machinery and equipment; miscellaneous items and general remarks not otherwise covered in Section II of this form.. _____

ADDED INSTRUCTIONS (OVERPRINT, IF DESIRED)

SECTION I - PROPERTY DATA AND CONDITION AGREEMENT

LEASE NO. _____ COMMENCEMENT DATE: _____

ACTIVITY/LESSEE: _____

DATE POSSESSION TAKEN: _____ DATE OF THIS SURVEY: _____

TOTAL LEASED BUILDING AREA (SQ.FT.): _____

JOINT AGREEMENT ON THE CONDITION OF THE PROPERTY

We, the undersigned, jointly made a survey and inspection of the condition of the property mentioned above. We agree that as of the (date of survey), the condition of the property is as described herein.

THE CONDITION OF THE EXTERIOR OF THE PROPERTY IS NO. OF
INDICATED ON THE REVERSE SIDE OF THIS FORM. ROOM ATTACHMENTS
CONDITIONS ARE INDICATED ON THIS FORM ALSO. _____

NAME AND SIGNATURE OF
___ LESSEE ___ AGENT

NAME TITLE, AND SIGNATURE
LESSOR REPRESENTATIVE

ADDRESS

ORGANIZATION

SECTION II - EXTERIOR CONDITION OF THE PROPERTY
attach sheet for needed items

FLOOR EAVES, DOWNSPOUTS, ETC.

WALLS

WINDOWS AND DOORS (Include storm windows and doors)

FENCING

LAWN, SHRUBBERY, TREES, AND PERENNIALS

WALKS AND DRIVEWAYS

GARAGE AND OUTBUILDINGS

ENTRANCES, ELEVATORS, AND PATIOS

SEWAGE

REMARKS (Include questioned or disputed items, repairs to be made, etc.) Attach sheet, if necessary.

SECTION III - INTERIOR CONDITION OF INDIVIDUAL ROOM

(Use reverse side for added remarks on questioned or disputed items, repairs to be made, etc. Attach sheet if necessary.)

LEASE NO.
FLOOR NO.

TYPE OF ROOM
ROOM NO.

FLOOR AND FLOOR COVERING (include stairways and stair coverings)

WALLS

CEILING

DOORS AND WINDOWS (Include skylights and other openings)

PLUMBING (Include pipes, toilets, lavatories, drinking fountains, etc.)

ELECTRICAL FIXTURES

HEATING (Include radiators, thermostats, etc.)

WOODWORK (Include trim, baseboard, and hallways)

OTHER EQUIPMENT (Include stove, refrigerator, washer, dryer, etc.)

EXHIBIT C

REQUEST FOR PROPOSALS AND APPROVED PROPOSAL - EXHIBITS TO EXECUTED LEASE

