MANAGEMENT AGREEMENT
AMENDED

This Agreement is made and entered into this 30th day of June, 2016 by and between the Matanuska-Susitna Borough ("Borough") and the Willow Area Community Organization, Inc. ("WACO"). This Agreement shall automatically terminate on June 29, 2021 unless renewed or otherwise terminated.

WITNESSETH:

WHEREAS, the Borough, received from the State a parcel of land identified as Tract 2A, ASLS 85-88 according to Plat 90-48, Palmer Recording District, Third Judicial District, State of Alaska; and

WHEREAS, WACO is a non-profit corporation established in 1959 to promote the general welfare of the Willow area and is recognized by the Borough as the community council for the Willow area; and

WHEREAS, the Borough constructed a community center and fire hall utilizing grants from the state; and

WHEREAS, WACO constructed on the site a picnic shelter using grants from the Borough that were not LAWCON grants; and

WHEREAS, the Borough has constructed an addition to the community center to be used as the Willow Public Library (library) utilizing grants from the State, the United States and Borough Non-Areawide funds.

NOW THEREFORE, the parties agree as follows:

Section 1. Management Agreement

This agreement supersedes the management agreements, and amendments to same, between the Borough and WACO.

Section 2. Area Covered by Management Agreement

This Agreement covers that portion Lot 2A-1, according to Plat 90-48, recorded in the Palmer Recording District on September 26, 1990, including improvements for all grounds lying south of Lot 2B-1 and the eastward extension of the south boundary line of Lot 2B-1, as shown by a dotted line from the southeast corner of Lot 2B-1 to its intersection with the Parks Highway Right of Way, depicted on the attached drawing marked Exhibit "A." The following areas within the boundary specified are excluded:

- a public right-of-way 100" in width centered on and running along the entrance (access) road and parking lot; and
- an undesignated public access to the picnic shelter; and
- a 50 foot wide public access to and along the lake shore; and
- old community center (log building); and
- EMS warm storage buildings; and
- interior furnishings of the library.

Specifically, this Agreement does not cover the area within Lot 2A-1, lying north of the dotted line inserted on the map, which is utilized for the Willow Public Safety Buildings and its appurtenances. All of Lot 2A-1 is owned by the Matanuska-Susitna Borough and designated by Matanuska-Susitna Borough for public facilities and other public purposes.

Section 3. Responsibilities of the Parties

WACO must obtain written approval from the Borough for any additions, alterations, relocations, or new structures prior to commencing any work on the area covered by this Agreement.

The Borough, as property owner, and WACO have responsibilities as outlined in the Responsibilities Matrix attached as Exhibit B and Water Testing requirements attached as Exhibit C. The Borough and WACO shall meet yearly (March - April) to jointly inspect the building and to identify any needed repairs and maintenance. This meeting shall be the responsibility of the Borough to schedule.

Exhibits "B" and "C" are hereby incorporated by reference which further delineates the responsibilities of the Borough and WACO for the Area Covered by this Agreement.

Section 4. Costs of Services

Any sums payable to WACO by the Borough are subject to annual appropriation by the Assembly, and may be paid monthly based on a statement submitted by WACO. Statements must be submitted at least on a quarterly basis. The costs of these services shall be allocated as follows:

4.1 Custodial services: WACO agrees to provide all janitorial services and a supply for the area covered, and, in addition, agrees to provide daily janitorial services to the library Tuesday through Saturday according to the schedule of services provided in Exhibit B. The Borough agrees to pay WACO $12,000 per year for the janitorial services for the library and the library's share of the joint use areas (restrooms, entrance and foyer). This amount is to cover cleaning and part of the cost of cleaning supplies.

4.2 Utilities: WACO will be solely responsible for all telephone charges to its phone numbers. The Borough will be responsible for phone service at the library.

Fuel costs will be split 50/50 between the Borough and WACO with the billing going to WACO.

The Borough shall reimburse WACO 22.5% per month for the Borough's share electrical costs.

4.3 Solid waste disposal: The Borough is responsible for weekly solid waste disposal from the community center, library, and grounds, for which WACO will reimburse the Borough in the amount of $67.00 per month for regular building solid waste services. Any additional needed solid waste service because of special or large events shall be the sole responsibility of WACO.

4.4 Snow removal services. The Borough will be responsible for contracting for snow and ice removal services from the paved parking lot and fire lanes around the building. The cost of this service shall be equally shared between the Borough and WACO.

Any additional snow or ice removal needed solely by WACO for their activities (i.e. winter carnival) will be the sole responsibility of WACO.

4.5 Septic: Inspection and pumping shall be performed in accordance with the attached Responsibilities Matrix.

4.6 Well: Needed maintenance and testing will be performed in accordance with the Responsibility Matrix.

4.8 All other costs of services not specifically covered by this Agreement shall be the sole responsibility of WACO and no other compensation shall be furnished by the Borough to WACO.

Section 5. Disputes

Disputes over the terms of this Agreement shall be resolved by negotiation between the parties. In the event the parties are unable to agree, the decision of the Borough Manager shall be final.

Section 6. Termination

6.1 Termination for Cause: If, through any cause, WACO shall fail to fulfill its obligations under this agreement, or shall violate any of the covenants, agreements, or stipulations of this agreement, the Borough shall thereupon have the right to terminate this agreement by giving written notice at least five (5) days before the effective date of such termination. In such event, all equipment, vehicles, supplies, reports or other materials shall be returned to the Borough.

6.2 Termination for Convenience: The Borough may terminate this agreement at any time by giving written notice to WACO of such termination and specifying the effective date of such termination. The Borough shall provide at least thirty (30) days notice of such termination. In that event, all equipment, vehicles, supplies, reports, or other materials shall be returned to their respective owners.

Section 7. Insurance and Indemnity

7.1 WACO shall maintain comprehensive public liability insurance of not less than $1,000,000 covering all premises in this Agreement. WACO shall also obtain special event insurance covering the Willow Winter Carnival and any other special event located in the facility or on Borough land. Proof of insurance must be provided prior to the Borough manager giving final approval.

7.2 WACO facility rental agreement Waiver of Liability statement will include Matanuska-Susitna Borough. WACO and third-party renters must assume all responsibility for and hold harmless, indemnify, and defend the Borough from and against any and all liability claims or causes of action for any and all bodily injury or property damage arising out of or related in any way to the use of the premises by a third party renter.

7.3 If WACO authorizes alcohol to be consumed on the premises as part of a rental agreement with a third-party, WACO and the renter shall agree to abide by all terms in the April 19, 2001, standing authorization, attached as Exhibit D.

7.4 Notwithstanding the foregoing, the Borough shall maintain insurance coverage for the center physical plant and equipment.

7.5 WACO and the Borough waive all rights and claims they may have against the other, their subsidiaries, and affiliates for loss or damage arising or resulting from the operations at the center caused by fire or other perils normally covered in a standard form fire or all risk insurance policy.

WACO shall indemnity, defend, and hold and save the Borough, its elected and appointed officers, agents and employees, harmless from any and all claims, demands, suits, or liability of any nature, kind or character, including costs, expenses, and attorney fees. WACO shall be responsible under this clause for any and all legal actions or claims of any character resulting from injuries, death, economic loss, damages, violation of statutes, ordinances, constitutions or other laws, rules or regulations, contractual claims, or any other kind of loss, tangible or intangible sustained by any person, or property arising from WACO's Officers, agents, employees, partners, attorneys, suppliers, and subcontractor's performance or failure to perform this Agreement in any way whatsoever. This defense and indemnification responsibility includes claims alleging acts or omissions by the Borough or its agents which are said to have contributed to the losses, failure, violations, or damage. However, WACO shall not be responsible for any damages or claim arising from the sole negligence or willful misconduct of the Borough, its agents, or employees.

If any portion of this clause is voided by law or court of competent jurisdiction, the remainder of the clause should remain enforceable.

Section 8. Destruction of Covered Area

In the event that the area covered or any part of the area covered shall be destroyed by fire, explosion, or other casualty so that all or a substantial portion of the area covered cannot be operated, and the Borough fails to rebuild, repair, and reopen the same for use within two hundred and forty (240) days after the happening of said fire or other casualty, WACO or the Borough shall have the right to cancel and terminate this Agreement.

Section 9. Employees

All persons engaged at the area covered in operating any of the services hereunder, except those working in, or for, the Willow Public Library or the Borough in its official capacity, shall be either unpaid volunteers, contractors, or the sole and exclusive employees of WACO and, when appropriate, shall be paid by WACO.

Any compensation paid that is the result of a grant by the Borough shall be paid at Little Davis Bacon compensation rates. In connection with the employment of its employees, WACO shall pay all applicable social security, unemployment, workmen's compensation, or other employment taxes or contributions to insurance plans, and retirement benefits, and shall comply with all federal and state laws and regulations relating to employment, including, but not limited to, minimum wages, social security unemployment insurance and workmen's compensation, and shall indemnify, defend , save and hold the Borough from any responsibility therefor.

In performing its duties under this agreement, no participant shall discriminate against any person on the basis of race creed, color, religion, national origin, age, sex or marital status, physical handicap, status as a disabled veteran, or veteran of the Vietnam War era.

Section 10. Subleasing and Assignment

10.1 WACO shall not assign any interest in this Agreement and shall not transfer any interest in the same (whether by assignment, sublease, or novation) without the prior written consent of the Borough, thereto: provided, however, that claims for money due or to become due to WACO from the Borough under this Agreement may be assigned to a bank, trust company, or other financial institution without such approval. Notice of any such assignment or transfer shall be furnished promptly to the Borough.

10.2 WACO shall not delegate duties or otherwise subcontract work or services under this Agreement without the prior written approval of the Borough.

Section 11. Hazardous Materials

Any release of a hazardous substance *must be reported* as soon as the person has knowledge of the discharge.

Reporting or clean-up of any spills of oil and/or hazardous substances must be reported to Alaska Department of Environmental Conservation (ADEC) in compliance with ADEC notification requirements.

Any quantity of a spilled hazardous substance must be cleaned up, containerized, and disposed of in a proper manner. All spills must be reported and handled to comply with all federal, state and local laws, rules and regulations.

Section 12. Permits, Laws, and Taxes

WACO shall acquire and maintain in good standing all permits, licenses, and other entitlements necessary to the performance under this Agreement. All actions taken by WACO under this Agreement shall comply with all applicable statutes, ordinances, rules and regulations. WACO shall pay all taxes pertaining to its performance under this Agreement, if any.

Section 13. Nonwaiver

Failure of the participants at any time to enforce a provision of this agreement shall in no way constitute a waiver of provisions, nor in any way affect the validity of this agreement, or any part thereof, or the right of the borough, to thereafter enforce each and every protection herein.

Section 14. Amendment

The parties may amend this Agreement only by written agreement, which shall be attached as an appendix hereto.

Section 15. Choice of Law

Any civil action arising from this contract shall be brought in the Alaska Superior Court, Third Judicial District at Palmer. The titles of sections in this agreement are not to be construed as limitations or definitions but are for identification purposes only.

Section 16. Severability

If any section or clause of this agreement is held invalid by a court of competent jurisdiction, or is otherwise invalid under the law, the remainder of the agreement shall remain in full force and effect.

Section 17. Notices

All notices required by this Agreement shall be in writing and shall be sufficiently given and served upon the other party if sent by registered or certified United States mail, postage prepaid, and addressed as follows:

To The Borough:

Matanuska-Susitna Borough
Land and Resource Management Division
350 East Dahlia Avenue
Palmer, Alaska 99645

Or such other places as the Borough may, from time to time, designate by written notice to WACO. In the event emergency maintenance is required, Operations and Maintenance Department, 907-861-7755, shall be immediately notified.

To WACO

Willow Area Community Organization
Chair
PO Box 1027
Willow, Alaska 99688-1027

Or at such other place as WACO may, from time to time, designate by written notice to the Borough.

Section 18. Interpretation and Enforcement

This agreement has been drafted by the parties following negotiations between them. It shall be construed according to the fair intent of the language as a whole, not for or against any party. The interpretation and enforcement of this agreement shall be governed by the laws of the state of Alaska.

Section 19. Integration

This agreement sets forth all the terms, conditions, and agreements of the parties and supersedes any previous understanding or agreements regarding the Facilities or Site, whether oral or written. No modification of this agreement is effective unless made in writing and signed by both parties.

Section 20. Understanding

The participants acknowledge that they have read and understand the terms of this agreement, have had the opportunity to review the same with counsel of their choice, and are executing this agreement of their own free will.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed on the day and year first written above.

CHAIR:
WILLOW AREA COMMUNITY ORGANIZATION, INC.

Harry Banks

Harry Banks

State of Alaska)
)ss.
Third Judicial District)

On November 22, 2016, Harry Banks, personally appeared before me, and

[check one]

1. ____ who is personally known to me
2. ✓ whose identity I proved on the basis of AKDL exp. 3/21
3. ____ whose identity I proved on the oath/affirmation of _____, a credible witness

and acknowledged before me that as Chair of Willow Area Community Organization, Inc. he signed the Management Agreement on behalf of the Willow Area Community Organization, Inc., an Alaska non-profit corporation, for the purposes intended therein.

Official Seal
STATE OF ALASKA
Notary Public
A. Bohmbach
My Comm. Expires Sept. 1, 2017

A Bohmbach
Notary Public for State of Alaska
My commission expires: Sept. 1, 2017

OWNER
MATANUSKA-SUSITNA BOROUGH

John Moosey, Borough Manager

State of Alaska)
)ss.
Third Judicial District)

On November 22, 2016, John Moosey, manager of the Matanuska-Susitna Borough, who is personally known to me, appeared and acknowledged before me that he signed the Management Agreement on behalf of the municipal corporation.

Official Seal
STATE OF ALASKA
Notary Public
Mary Miller
My Comm. Expires: 10/26/2020

Mary Miller
Notary Public for State of Alaska
My commission expires: 10/26/2020

R04W

W WILLOW HAVEN CIR

MP 70

W PARKS HWY

T19N

Willow Lake

LOT 2A-1

W WILLOW COMM CENTER CIR

W PARKS HWY

AREA COVERED BY THIS MANAGEMENT AGREEMENT

W WILLOW 1ST AVE

W WILLOW 1ST AVE

N MAIN ST

W WILLOW 1ST AVE

T19N

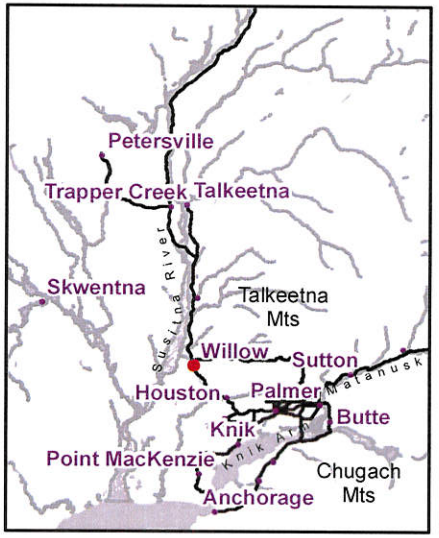
R04W

Matanuska - Susitna Borough Land and Resource Management Division

EXHIBIT A

Legend

MANAGEMENT AREA



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0 60 120 180 240 300
Feet

Date: September, 2016
Sources: MSB GIS, MSB LRMD, AK DOT
Projection: NAD 83 AK ST PLN Z4
Location: MSB
Author: MSB LRMD

ITEM	MSB	WACO
PREVENTATIVE MAINTENANCE: Items under preventative maintenance include heating, major plumbing, electrical, snow and ice removal from the building, structure and other repetitive, scheduled maintenance work which will prolong or extend the useful life of the structure and its associated equipment and systems, ensure the continued safety of persons in or about borough facilities, maintain or reduce energy and operating costs, and work which will eliminate unscheduled downtime, repair, and replacement costs, or the chance of failure.	**X** **O&M**	
CUSTODIAL SERVICE: Custodial service is all work that deals with the day-to-day janitorial, cosmetic, and custodial upkeep of the building and surrounding property, and the maintenance of equipment related to the presentation of the programs specific to the facility. It includes all janitorial work, carpet cleaning, grounds keeping, patching small holes in walls (for example, nail holes), touch up and minor repainting (up to 80 sq. ft. per area), replacement of burned out light bulbs, furniture repairs, and the purchase and maintenance of any other equipment not directly related to the physical operation of the facility and its support systems. See specific details at the end of this exhibit.		**X**
GROUNDS KEEPING: Grounds keeping is sidewalk (snow removal, sanding, and sweeping), parking lot cleanup (litter pickup and trash removal), minor maintenance, tree and hedge maintenance, changing exterior and parking lot light bulbs, exterior signage and displays maintenance. Lawn care (fertilizing and mowing and the upkeep of all equipment and machinery used in performing the above work. Garden (flowers) maintenance. ***Line painting, exterior signage and displays, or other such items must be requested by WACO as a capital expenditure and will be performed as funding is approved/allows.***	**X** **Parks** **X** **Library**	**X**
PLAYGROUND: WACO will conduct periodic visual inspections of playground equipment and notify MSB Parks and Recreation of potential safety issues. MSB certified playground inspector will conduct periodic inspections using a standardized check list, visually inspect gates and fences and maintain a dated log of findings. MSB Parks and Recreation will provide maintenance and repair of gates and fences, playground/park equipment.	**X** **Parks**	**X**

ITEM	MSB	WACO
BUILDING STRUCTURE: Repairs, maintenance, and replacement to the following: - Walls - Floors - Ceiling - Roof and roofing - Windows (including jambs & sashes) - Doors (including jambs, hardware & sashes) - Major painting (greater than 80 sq. ft. per area) - Sheetrock repairs and replacement - Carpet replacement ***Replacement of the above items must be requested by WACO, in writing, no later than December 30, as a capital expenditure and will be performed by MSB O&M as funding is appropriated by the Assembly.***	**X** **O&M**	
HEATING & AIR CONDITIONING SYSTEMS: Maintain HVAC equipment including boilers, stacks, pumps, fans, storage tanks, air compressors, and air conditioning equipment, expansion tanks, ductwork, diffusers, VFD units, VAV boxes, filters, coils, valves, and associated control devices, sensors, and controllers. Borough operations and maintenance personnel are not trained or certified with geothermal heat equipment. WACO will procure the services of a trained and certified contractor for equipment maintenance and/or repair and such costs will be 50/50 shared between MSB Community Development (CD) and WACO. Heating fuel costs are split 50/50 between MSB and WACO.	**X** **O&M** **X** **CD**	**X**
Cleaning of diffusers, ceiling grills, or exterior ductwork related to the Community Center.		**X**
PLUMBING SYSTEMS: Major replacement and repairs to broken or frozen pipes and lines, fixtures, faucets, lavatories, shower trees and leads, interior and exterior hose bibs, traps and cleanouts, drywells and roofing drainage equipment, valves, backflow devises, strainers, meters, PRV's, and flushometers.	**X** **O&M**	
Unclogging lines and pipes smaller than 2" in diameter, plunging toilets, cleaning out sink traps or shower drains. Exterior hoses, exterior water lines, and lawn watering devises are property of WACO.		**X**

ITEM	MSB	WACO
FIRE ALARM EQUIPMENT: Servicing, testing and repairs to the fire alarm systems.	**X** **O&M**	
BUILDING FIRE SUPPRESSION SYSTEM & EQUIPMENT: Servicing, testing, and repairs to all wet pipe and dry pipe. Fire sprinkler equipment, if any.	**X** **O&M**	
Certification, testing, and recharging or replacement costs for portable fire extinguishers/kitchen extinguishers, if any.		**X**
ELECTRICAL & LIGHTING SYSTEMS: Power distribution equipment, panels, motor control centers, mag starters, disconnects, lighting relays, and all lighting ballasts; testing and repairs to exit fixtures and emergency light fixtures; provide light bulbs and light tubes for the library entrance, foyer, and bathrooms.	**X** **O&M**	
EMERGENCY GENERATOR Servicing, testing, and repairs to the emergency generator.	**X** **O&M**	
OUTSIDE BUILDING IMPROVEMENTS: Structural repair due to heaving, settling, or other ground movement of steps and ramps, or other outside improvements not tied to the building. WACO needs to request as capital expenditure. ***Funding must be requested by WACO, in writing, prior to December 30, as a capital expenditure and will be performed by MSB as funding is appropriated by the Assembly.***	**X**	**X**
EQUIPMENT AND SYSTEM MONITORING AND CHECKS: Conduct periodic visual inspections of all the systems and equipment mentioned in this section. Maintain a written log of inspection observations and provide prompt notification to MSB Facilities Maintenance Division of any observed abnormalities, equipment breakdown or failures, or system malfunctions.		**X**
KITCHEN AND CARE TAKERS QUARTERS: Except for heating and electrical systems, complete upkeep, repairs and maintenance, including periodic cleaning of grease traps, vent hoods, and exhaust fans.		**X**
SOLID WASTE: Solid waste is the removal of all solid waste from the community center, library, and grounds. The fee to WACO for a portion of this service will be $67.00/month.	**X** **Library**	

ITEM	MSB	WACO
Additional waste service fees for special events hosted or sponsored by WACO. MSB will not require a specific vendor for this service.		X
SNOW AND ICE REMOVAL: The borough will arrange for routine snow and ice removal for the paved parking lot and the fire lanes around the building. To the extent practical, plowing will only occur to cover routine usage when there is 4" accumulation or more, and at other times when both WACO and the borough mutually agree it needs to be done. This cost will be shared 50/50 between MSB and WACO.	X **Library**	X
Any additional area(s) to be plowed or sanded for special events, such as the Willow Winter Carnival, shall be the sole responsibility of WACO.		X
PARKING LOT AND ASSEMBLY AREAS: The parking lot includes the paved and unpaved parking areas in front of the building. Patching, major repairs, seal coating, and striping shall be the responsibility of the MSB for the paved portion. ***Funding must be requested by WACO, in writing, prior to December 30, as a capital expenditure and will be performed by MSB O&M as funding is appropriated by the Assembly.***	X	X
Sweeping of the parking lot shall be the responsibility of WACO. All maintenance, include grading, of all unpaved areas used for parking or other community activities, shall be the responsibility of WACO.		X
WATER: As a designated borough emergency shelter, the well shall be maintained and tested to ensure that the well stays certified to DEC standards at no lower than a Class B public water system. This shall include water quality testing and sanitary surveys. **ADEC schedule attached as Exhibit C.** Nitrate and coliform Sanitary survey every 5 years – Completed 2/1/2015; Due 2/1/2020 RTCR-Sample Siting Plan	 **Library** **O&M** **O&M**	
SEPTIC: WACO will annually have the septic system checked to see if pumping is required. WACO shall receive concurrence from the Borough, Chief of Operations and Maintenance Division before pumping or providing	X	

ITEM	MSB	WACO
any other service to the septic system.		
WACO will pump the septic system before and/or after the Iditarod Restart, depending on pumping requirements, with concurrence of MSB Chief of Operations and Maintenance.		X
ELECTRIC UTILITIES: Electric meter reading is for the entire facility. The Borough shall reimburse WACO 22.5% per month for the Borough's share of electrical costs.	X **Library**	X
JANITORIAL DUTIES FOR WILLOW LIBRARY: **DAILY** Clean and disinfect restrooms. The restrooms serve the library and the Community Center; therefore, half of the time and cost will be covered under WACO.		X
Patrol the building and grounds for safety and mechanical problems. Check the doors and windows to secure the building when locked down.		X
THREE TIMES PER WEEK **Preferably Tuesday, Thursday, and Saturday**		
Library staff will maintain general upkeep on off janitorial days	X	
Empty trash containers (spare bags in bottom of container) and boxes to be discarded under trash cans.		X
Vacuum carpet		X
Using disinfectant clean checkout counter, work counters, and kids' tables.		X
MONTHLY DUTIES (OR MORE FREQUENTLY AS NEEDED)*		
Dust furniture and bookshelves (without moving books), window sills, and easel display.		X
Deep clean sink. Does not clean personal items, cups, dishes. Does not clean if books or other items are in close proximity.		X
Library staff cleans sink after daily use.	X	

ITEM	MSB	WACO
TWICE YEARLY (OR MORE FREQUENTLY AS NEEDED)*		
Wash windows on inside.		X
Wash windows on the outside (Spring and Fall). Librarian to make arrangements with the Garden Club if the water spotting becomes a problem.		X
Wash plastic discs under kids' tables.		X
Wash display case windows (Library staff will unlock 2 times a year for inside cleaning).		X
Wash rubber mats at copier, work counters, and back door.		X
DUTIES TO BE DONE AS NEEDED*		
Treat stains on carpet using carpet cleaner.		X
Library staff to take care of immediate spills and get food off the floor.	X	
Clean light fixtures when replacing bulb.		X
Wash trash containers.		X

*Janitorial staff and library staff must communicate in advance on these items (*) so arrangements by both parties can be made in advance. If either party needs to adjust the janitorial schedule, arrangements should be made in advance as well.

NOTE: Stacks of books will be left "as is" in the work area; oily cleaners will not be used near books, on the study table or carrel, and air fresheners and carpet fresheners will not be used.

INSURANCE
(Lessee/Permittee/Manager)

It is specifically agreed between the parties executing this Agreement that it is not intended by any of the provisions of the Agreement to create in the public or any member thereof a third party benefit hereunder, or to authorize anyone not a party to this Agreement to maintain a suit for personal injuries or property damage pursuant to the terms or provisions of this Agreement.

It is highly recommended that the Lessee/Permittee/Manager confer with their respective insurance companies or brokers to determine if their insurance program complies with the Borough's Insurance requirements.

The Lessee/Permittee/Manager shall procure and maintain the following insurance:

A. Minimum Scope of Insurance

Coverage shall be at least as broad as:

1. Insurance Services office form number CG 0001 (Edition 10/01) covering Commercial General Liability.
2. Insurance Services office form number CA 0001 (Edition 10/99) covering Automobile Liability, symbol 1 "any auto."
3. Worker's Compensation insurance as required by the State of Alaska and Employers Liability Insurance.

B. Minimum Limits of Insurance

Lessee/Permittee/Manager shall maintain limits no less than:

1. General Liability:

$1,000,000 combined single limit per occurrence for bodily injury, property damage, personal injury and advertising injury. The general aggregate limit shall be $1,000,000. The general aggregate limits shall apply separately to each project.

General liability insurance shall be maintained in effect throughout the term of the Agreement.

If the general liability insurance is written on a claim made form, the Lessee/Permittee/Manager shall provide insurance for a period of two years after termination or expiration of this Agreement. The policy(s) shall evidence a retroactive date, no later than the beginning of this Agreement.

2. Auto Liability:

$1,000,000 combined single limit per accident for bodily injury and property damage.

3. Worker's Compensation and Employers Liability:

Worker's Compensation shall be statutory as required by the State of Alaska. Employer's liability shall be endorsed to the following minimum limits:

Bodily injury by Accident -	$100,000 each accident
Bodily injury by Disease -	$100,000 each employee
Bodily injury by Disease -	$500,000 policy limit

4. Excess Liability:

In order to meet the required minimum limits of insurance it is permissible for the Lessee/Permittee/Manager to combine an excess liability or umbrella policy with the general liability, auto liability or employer's liability. In the instance where the Lessee/Permittee/ Manager purchases an excess liability or umbrella policy the occurrence limit and the aggregate limit may be of the same amount.

C. Deductibles and Self-Insured Retention

Prior to occupancy, any deductible or self-insured retention must be declared and approved by the Borough. Lessee/Permittee/Manager may be requested to demonstrate how the deductible or self-insured retention will be funded in the event of a claim. At the option of the Borough, the Lessee/Permittee/Manager shall reduce or eliminate such deductibles or self-insured retention as respects the Borough, its officers, officials,

employees and volunteers; or the Lessee/Permittee/Manager shall procure a bond guaranteeing payment of losses and related investigations, claim administration and defense expenses.

D. Other Insurance Provisions

The policies are to contain, or be endorsed to contain, the following provisions:

1. General Liability, Automobile Liability

a. The Borough, its Administrator, officers, officials, employees, and volunteers shall be covered as additional insured as respects: liability arising out of activities performed by or on behalf of the Lessee/Permittee/Manager; products and completed operations of the Lessee/Permittee/Manager premises owned, occupied or used by the Lessee/ Permittee/ Manager or automobiles owned, leased, hired or borrowed by the Lessee/Permittee/Manager. The coverage shall contain no special limitation on the scope of protection afforded to the Borough, its Administrator, officers, officials, employees, and volunteers.

b. The Lessee/Permittee/Manager's insurance coverage shall be primary insurance as respects the Borough, its Administrator, officers, officials, employees, and volunteers. Any insurance or self-insurance maintained by the Borough, it's Administrator, officers, officials, employees, and volunteers shall be excess of the Lessee/Permittee/Manager insurance and shall not contribute to it.

c. The Lessee/Permittee/Manager insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.

2. Worker's Compensation and Employer's Liability

The insurer shall agree to waive all rights of subrogation against the Borough, its Administrator, officers, officials, employees, and volunteers for losses arising from work performed by the Lessee/Permittee/Manager or any subcontractor of the Lessee/Permittee/Manager in relation to this Agreement.

3. All Insurance

Each insurance policy required by this Agreement shall be endorsed to state that coverage shall not be suspended, voided, canceled by either party, reduced in coverage or in limits except after 30 days prior written notice for nonpayment of premium or fraud on the part of the Lessee/Permittee/Manager or 60 days prior written notice for any other reason by certified mail, return receipt requested, has been given to the Borough. Such notice shall be mailed by the Lessee/Permittee/Manager to the attention of the Borough's Land Management Officer.

E. Acceptability of Insurers

Insurance is to be placed with insurers with a Best's rating of no less than A-VII.

F. Verification of Coverage

Lessee/Permittee/Manager shall furnish the Borough with certificates of insurance and with certified copies of all endorsements effecting coverage required by this clause. The certificates and endorsements for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf. The certificates are to be on forms acceptable to the Borough. All certificates are to be received and approved by the Borough before occupancy commences. The Borough reserves the rights to require complete, certified copies of all required insurance policies, at any time.

G. Subcontractors and Sublessee's

Lessee/Permittee/Manager shall include all subcontractors and sublessees as insured under its policies or shall furnish separate certificates and endorsements for each subcontractor and sublessees. All coverage for subcontractors and sublessees shall be subject to all requirements stated herein.

H. Lapse in Insurance Coverage

A lapse in insurance coverage, any change that restricts, reduces insurance provided, or changes name of insured without Borough approval is a material breach of this agreement, which shall result in immediate termination of the agreement.