



**AMENDMENT NO. 2  
LEASE AGREEMENT**

**THIS AMENDMENT** (the "Lease Amendment") is made and entered into this \_\_\_\_ day of \_\_\_\_\_, 2022 by and between the KETCHIKAN GATEWAY BOROUGH, a general law municipality, whose address is 1900 First Ave., Suite 210, Ketchikan, AK, 99901 (hereinafter called the "Landlord"), and Ketchikan Gateway Borough School District whose address is 333 Schoenbar Road, Ketchikan, AK 99901 (hereinafter called the "Tenant"). Landlord and Tenant may be referred to as a "Party" or Parties" in this Lease Agreement and **IT IS HEREBY AGREED AS FOLLOWS:**

The parties have a lease in effect dated August 26, 2020 which affords Tenant office space on the second and third floor of the White Cliff Building at 1900 First Avenue, Ketchikan, Alaska ~~which is effective through the end of Borough Fiscal Year 2023~~. This lease and any amendment thereto, is referenced as Borough Document No. 20-051.

The parties wish to extend the lease now in effect and modify said lease as set forth below. Terms contained in the lease dated August 26, 2020 and not amended herein shall continue in full force and effect.

The following sections are hereby modified:

**1. Defined Terms**

The following terms shall have the meanings specified in this section, unless otherwise specifically provided. Other terms may be defined in other parts of the Lease.

Premises: That portion of the Building that will be leased by the Tenant. The Premises consists of offices 223, 223A, 224, 314, and 319 approximately 3,348 square feet of Rentable Space consisting of portions of the building as shown on the Floor Plan(s) attached as Exhibit "A-Amended".

Term: Commencing upon the Commencement Date and ~~expiring on June 30, 2023~~continuing on a year-to-year basis unless terminated by the parties in accordance with the terms set forth in Section 20.

Commencement Date: The Commencement Date shall be the date upon which revised rent amount first starts to accrue and is July 1, 2022.

Base Rent: ~~The Tenant shall pay monthly rent of \$3,803, or \$45,636 annually.~~

~~For future years,~~ Base Rent is calculated as a pro-rata share of the operating costs of the White Cliff building using the same formula as allocations for Borough Departments, with the exception that Bond Debt or COP payments and daily building security for common spaces shall be excluded from the School District's share.

~~Rent shall include b~~Base rent per square foot of exclusive space, which rate includes the proportionate cost of common space including janitorial and supplies for common areas, insurance, routine maintenance to common areas and similar expenses; and the following utilities: water, sewer, garbage pick-up, electricity, and heat; and nightly and meeting security services. The tenant shall be responsible for daily security and all janitorial and other services such as security within exclusive use spaces, and any utilities not named in the original lease dated August 26, 2020, and any property taxes on their possessory interest, as applicable.

For budgetary purposes, the Landlord shall inform the Tenant of any increase in the ~~lease rate~~base rent for the following fiscal year no later than the last day of February. Increases in the base ~~lease rate~~rent shall not ~~to~~ exceed 5% annually.

Exhibits: Exhibit A-Amended: Revised Tenant Leased Spaces

## 2. Leasehold Defined

2.1 a. is hereby modified to ADD Suite 319.

b. The non-exclusive use of the Common Space of the Building as depicted on Exhibit "A-Amended".

## 3. Term of the Lease and Renewal

3.2 Term: ~~The Lease shall expire on June 30, 2023.~~ This lease shall automatically renew for recurring one-year terms, unless terminated by the parties in accordance with the terms set forth in Section 20.

#### 4. Rental Rates

4.1 Base Rent: In accordance with Section 2.1 above, Tenant shall pay Base Rent of \$3,803, or \$45,636 annually.

~~Rent shall include base rent per square foot of exclusive space, which rate includes the proportionate cost of common space and the following utilities: water, sewer, garbage pick up, electricity, heat, and nightly and meeting security services. The tenant shall be responsible for daily security and all janitorial within exclusive use spaces, any utilities not named in the original lease dated August 26, 2020, and any property taxes on their possessory interest, as applicable.~~

#### 7. Expenses

7.1 Landlord's Expenses: Landlord shall pay liability insurance for the building and Landlord owned contents (but excluding liability for Tenant owned property), liability insurance; major maintenance and repairs; and bond debt or certificates of participation payment. Major maintenance is defined as projects costing \$5,000 or more which extend the useful life of a common area amenity such as parking lot repaving or entry door renovation or remodels.

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#### 20. Termination

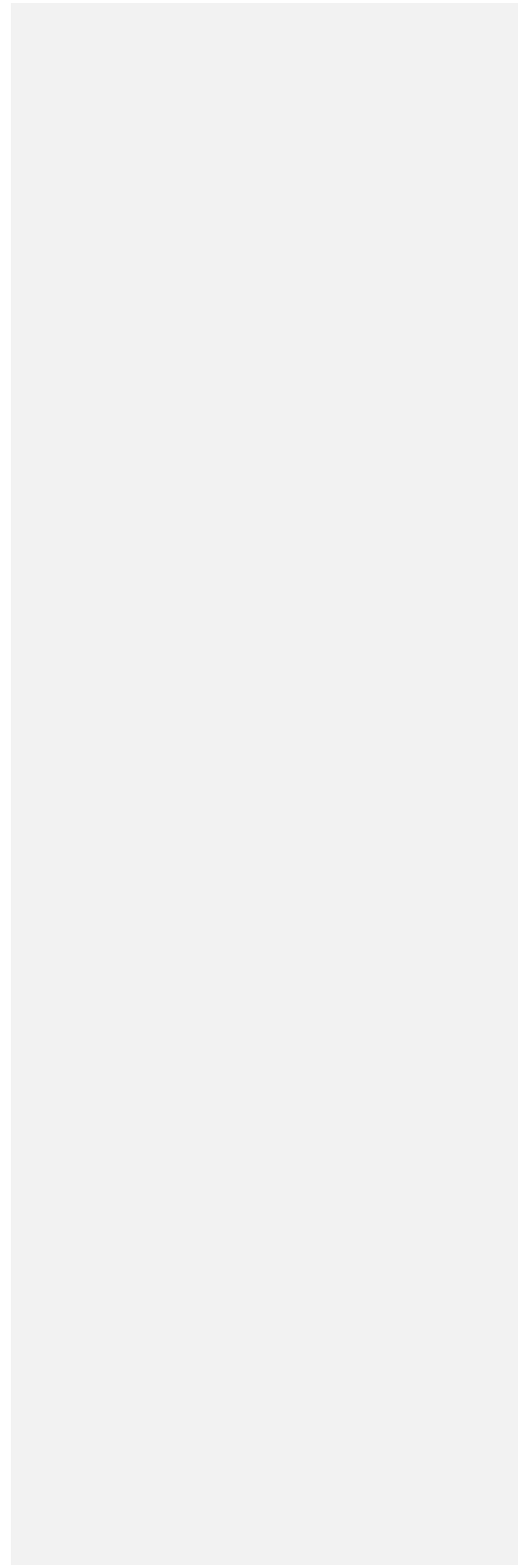
This agreement may be terminated:

- a. By either party at any time for failure of the other party to comply with the terms and conditions of this agreement;
- b. By either party upon 120 days prior written notice to the other party; or
- c. Upon mutual written agreement by both parties.

<< END OF AMENDMENTS >>

All remaining terms and conditions remain in effect. Except as specifically amended herein, all terms, conditions and provisions of said original agreement (Borough Document No. 20-051) shall remain in full force and effect.

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**IN WITNESS WHEREOF**, the parties hereto have hereunto subscribed their names.

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**APPROVED:**

Dated: \_\_\_\_\_, 2022

**Ketchikan Gateway Borough**

By: \_\_\_\_\_  
Ruben Duran  
Borough Manager

Attest:

By: \_\_\_\_\_  
Kacie Paxton  
Borough Clerk

Approved as to Form:

By: \_\_\_\_\_  
Glenn Brown  
Borough Attorney

Certified Funds Available:

By: \_\_\_\_\_  
Cynna Gubatayao  
Director of Finance

Dated: \_\_\_\_\_, 2022

**Ketchikan Gateway Borough School District**

By: \_\_\_\_\_  
Melissa Johnson, Interim Superintendent