

University of Alaska

OFFICE LEASE

This OFFICE LEASE ("Lease") is entered into on the last date signed below, by and between the UNIVERSITY OF ALASKA, a corporation created and existing under the Constitution and laws of the State of Alaska, whose address is Land Management, 1815 Bragaw Street, Suite 101, Anchorage, Alaska 99508-3433 ("Landlord"), and STATE OF ALASKA DEPARTMENT OF TRANSPORTATION & PUBLIC FACILITIES, DIVISION OF FACILITIES SERVICES, whose address is 500 West 7th Avenue, Suite 200 Anchorage, Alaska 99501-3558 ("Tenant").

1. PREMISES.

1.01 Description of Premises. Subject to the terms and conditions of this Lease, Landlord leases to Tenant, and Tenant leases from Landlord, that certain real property located at 1835 Bragaw Street, Anchorage, Anchorage, Alaska (the "Building"), and more particularly described as:

That portion of the Building known as 410, containing approximately 4,432 square feet of office space ("Premises"), as depicted on Exhibit A attached hereto and incorporated herein, and non-exclusive use of the parking area, including the right of access to the Premises and common area restrooms by means of doorways, passages, hallways, stairways, walkways, elevators and entrances located in and to the Building which provide access to the Premises.

1.02 Specific Improvements for Premises. Specific improvements for the Premises negotiated by the parties will be accomplished pursuant to the provisions of Exhibit B attached hereto. The cost and expense of such tenant improvements will be borne by Landlord and Tenant as set forth in Exhibit B.

1.03 Condition of Premises. Tenant has leased the Premises after an examination of the same and without any representations on the part of Landlord except as expressly provided herein and except for the construction of any tenant improvements to be undertaken or completed by Landlord.

2. TERM.

2.01 Length of Term. The term of this Lease shall be for SEVEN (7) years following the commencement date specified in Section 2.02, unless sooner terminated or extended as herein provided.

2.02 Commencement of Term. The term of this Lease shall commence on July 1, 2023 and shall expire on June 30, 2030 unless sooner terminated pursuant to the provisions of this Lease. The rental payment for due for the first calendar month of this Lease shall be computed by dividing the monthly rental rate by thirty (30) days to get a daily rental rate and then multiplying the daily rental rate by the number of days leased during the first calendar month. Tenant shall, upon request by Landlord, execute and deliver to Landlord a written declaration in recordable form expressing the commencement and termination dates of this Lease, certifying that the Lease is in full force and effect, and there are no defenses or offsets to the Lease or stating those defenses or offsets claimed by Tenant. Tenant shall have occupancy upon substantial completion of the tenant improvements.

2.03 Possession. If Landlord is unable to give possession of the Premises on the date fixed for the commencement of the term, by reason of the holding over of a tenant in possession, or for any other cause beyond Landlord's control, unless Landlord elects to terminate this Lease, as hereinafter provided, this Lease and all its provisions, including the date fixed for expiration of the Lease term, shall nevertheless continue in full force and effect, except that in such event: (a) Landlord shall take such steps

Landlord 

Tenant 

as may be necessary to recover possession of the Premises from such holdover tenant, and shall give to Tenant prompt written notice as soon as the Premises is ready for Tenant's occupancy or possession after the Premises has been recovered by Landlord; and (b) Tenant's obligation to pay the rent shall not become effective until five (5) days after the Premises is ready for Tenant's occupancy or possession as stated in the written notice provided for in the preceding clause. If Landlord is unable to give possession of the Premises on the date fixed for the commencement of the Lease term for any of the stated reasons, Landlord reserves the right, by written notice to Tenant, to terminate this Lease. If this Lease is terminated by Landlord pursuant to this provision, Landlord shall refund to Tenant any prepaid rent or security deposit, and upon such refund this Lease and all rights and obligations hereunder shall cease and come to an end, in the same manner and with the same force and effect as if this Lease had not been made.

3. RENT.

3.01 **Covenant to Pay Base Rent.** Tenant shall pay monthly rent to Landlord, without demand, in advance, on the first day of each calendar month during the term of this Lease (in addition to Tenant's share of any increase in the expenses and costs of building operation and maintenance as provided for in Section 3.02) as follows:

Year	Monthly Rate	Monthly Installment
July 1, 2023 to June 30, 2024	\$2.20 psf	\$9,750.40
July 1, 2024 to June 30, 2025	2% annual increase	\$9,945.41
July 1, 2025 to June 30, 2026	2% annual increase	\$10,144.32
July 1, 2026 to June 30, 2027	2% annual increase	\$10,347.20
July 1, 2027 to June 30, 2028	2% annual increase	\$10,554.15
July 1, 2028 to June 30, 2029	2% annual increase	\$10,765.23
July 1, 2029 to June 30, 2030	2% annual increase	\$10,980.53

3.02 **Adjustment of Rent for Increases in Certain Landlord's Expenses.** This section is not applicable to this Lease and is intentionally omitted.

3.03 **Interest on Unpaid Rent, Late Charge.**

- A. Any rent(s) not paid when due by Tenant shall bear interest at lesser of twelve percent (12%) per annum or the maximum interest allowable for this agreement under Alaska law.
- B. In addition, Landlord may, as liquidated damages for the additional expense of handling a delinquent rent payment, declare due and payable a late charge of five percent (5%) or the highest amount allowed by law, whichever is greater for any periodic rent(s) not received at the designated place of payment within ten (10) days of its due date.

4. **EXTENSION OF TERM.** Landlord may grant an extension of the Term of this Lease for up to **Three (3)** additional **One (1)** year periods at a mutually agreeable Fair Market Rental at the time of renewal. Tenant shall provide a written request to Landlord for extension of the Term of the Lease a maximum of one hundred and eighty (180) days and a minimum of ninety (90) days prior to the expiration date of this Lease. Landlord shall provide written notice of the then Fair Market Rental within ten (10) days of receipt of Tenant's notice to renew.

Landlord and Tenant shall reach agreement on the renewal rate within an additional thirty (30) days or the renewal shall become void. Extensions of the Lease Term shall be governed by the same terms and conditions set forth herein. Landlord and Tenant both reserve the right to not extend the Lease, if in either's opinion, Landlord or Tenant determine that it is not in their best interest to do so.

5. **HOLDOVER.** All conditions and covenants of the lease shall remain in full force and effect during any extension hereof. Any holding over after the expiration date of this lease or any extension or renewal thereof, shall be construed to be a tenancy from month to month for a period not to exceed three (3) months, at the same monthly rental and on the terms and conditions herein specified so far as applicable. After the initial three (3) months of the holdover, the rental rate for each holdover month or part thereof will be one hundred and twenty-five percent (125%) of the monthly rental rate provided for in the last month of the term of this Lease.

6. **SECURITY DEPOSIT.** This section is not applicable to this Lease and is intentionally omitted.

7. **USE OF PREMISES.**

7.01 **Use of Premises.** Tenant shall use the Premises solely for the purpose of general and governmental offices, including without limitation, use by various agencies, corporations, departments, instrumentalities, other entities working in partnership with the State and other offices of the State of Alaska. Tenant shall not use said premises for any other use without the Landlord's consent, which shall not be unreasonably withheld.

7.02 **Compliance with Laws.** Tenant shall comply with all applicable laws, ordinances and regulations of duly constituted public authorities now or hereafter in any manner affecting the Premises, whether or not any such laws, ordinances or regulations which may be hereafter enacted involve a change of policy on the part of the governmental body enacting the same. Tenant further agrees it will not permit any unlawful occupations, business or trade to be conducted on said Premises or any use to be made thereof contrary to any law, ordinance or regulation.

7.03 **Rules and Regulations of Building.** As a condition to use of the Premises, Tenant shall comply with all reasonable uses and regulations promulgated by Landlord from time to time for all Tenants in the building.

8. **COMMON AREAS.**

8.01 **Control of Common Areas.** All common areas and other facilities in or about the Premises and the building in which it is situated shall be subject to the exclusive control and management of Landlord. Landlord shall have the right to: construct, maintain and operate lighting and other improvements on all the common areas; police the same; change the areas; level locations; arrange for other facilities, lease one or more of the parking spaces adjoining the building to another for their exclusive use; restrict parking by Tenant, its officers, agents and employees; and discourage non-tenant parking. Landlord shall operate and maintain the common areas and facilities in such manner as Landlord in its discretion shall determine.

8.02 **Use of Common Areas.** All common areas and facilities which Tenant may be permitted to use and occupy are to be used and occupied under a revocable license; and if any such license is revoked or if the amount of such areas is changed or diminished, Landlord shall not be subject to any liability nor shall Tenant be entitled to any compensation or diminution or abatement of rent, nor shall revocation or diminution of such areas be deemed constructive or actual eviction.

8.03 **Parking Areas.** Tenant has the non-exclusive right to use all unreserved parking spaces in the Building parking lot, which spaces may change from time to time in the sole discretion of the Landlord. Landlord does not guarantee adequate parking as part of this Lease. Landlord may reconstruct the Building parking areas and rearrange the parking areas, at its sole discretion. Landlord may lease one or more of the Building parking spaces to other occupants in the Building, for their exclusive use; and Landlord, if

appropriate, may close, temporarily, all or any portion of the parking areas, to facilitate Building improvements, repairs, maintenance, construction and other activities of Landlord. Tenant shall not park inoperable vehicles in the parking lot. Tenant shall not park vehicles in the parking lot overnight unless approved in advance by the Landlord.

- 9. **FLOOR LOADS.** Tenant without the proper written consent of Landlord shall not subject the floor(s) within the Premises to loads heavier than a partition load capacity of twenty (20) pounds per square foot plus a live load capacity of sixty (60) pounds per square foot, Tenant will be fully responsible for any and all structural damage(s) caused to the building, injury to property of Landlord and others, plus any and all harm to natural persons.
- 10. **LANDLORD’S RIGHT OF ENTRY.** Tenant, with reasonable notice by the Landlord at any time during the term of this Lease, shall permit reasonable inspection of the Premises during business hours by Landlord, or Landlord’s agents or representatives, or by or on behalf of prospective purchasers, and during the six (6) months immediately preceding the expiration of this Lease, shall permit inspection of the Leased Space by or on behalf of prospective Tenants, provided the inspection does not unreasonably interfere with Tenant’s business.
- 11. **LEASE NOTICES AND PAYMENTS OF RENT.** All payments of Rent shall be sent, postage prepaid, through the United States mail to Landlord at the address shown below, or at such other place as Landlord may designate.

PAYMENT ADDRESS. All payments of Rent sent through the Automated Clearing House system (“ACH”) shall be sent to Landlord at the address shown below, or at other such place as Landlord may designate:

University of Alaska
Land Management
1815 Bragaw Street, Suite 101
Anchorage, Alaska 99508

All payments of Rent or other fees under this Lease, if not issued through the ACH system shall be sent, postage prepaid through the United States mail to Landlord at the address shown below, or at other such place as Landlord may designate:

University of Alaska
Land Management
c/o Colliers International
2600 Cordova Street, Suite 205
Anchorage, Alaska 99503

All notices referred to in this Lease shall be sent certified mail, return receipt requested, to the parties at the addresses shown below and shall be deemed given **THREE (3) DAYS** after deposit in the mail.

LANDLORD:

University of Alaska
c/o Colliers International
2600 Cordova Street, Suite 205
Anchorage, Alaska 99503
Phone: (907) 561-5155
Fax: (907) 270-7155

TENANT:

State of Alaska, Department of Transportation & Public Facilities
Division of Facilities Services– 05
550 W 7th Avenue, Suite 200
Anchorage, Alaska 99501
Attention: Matt Moya, Leasing Contractor
Phone: (907) 269-0304
Fax: (907) _____

Either party may, however, designate in writing such new or other address to which such notice or demand shall

thereafter be so given, made or mailed. Any notice given hereunder by mail shall be effective upon receipt or failure of attempted delivery.

12. MAINTENANCE, REPAIR, ALTERATIONS.

12.01 Covenant to Maintain and Repair.

- A. Tenant shall during the term of this Lease and any renewal or extension thereof, at its sole expense, keep the interior of the Premises in as good order and repair as it is at the date of the commencement of this Lease, reasonable wear and tear excepted. Tenant shall be responsible for any repairs or damages as a result of neglect.
- B. Landlord during the term of this Lease and any renewal or extension shall keep the structural supports, exterior walls, and common areas of the Premises in good order and repair. Landlord shall maintain and repair all plumbing, lines, and other equipment installed for the general supply of hot and cold water, heat, ventilation and electricity, except that Tenant shall be responsible for any and all repairs attributable to obstructions or objects deliberately or inadvertently introduced or placed in the fixtures or lines leading thereto, by Tenant, its employees, servants, agent licensees or invitees.

12.02 Alterations, Additions, Signs, Lettering, Trademarks.

- A. Tenant agrees to accept the Premises in its current condition and configuration except as modified by Exhibit B regarding tenant improvements. All improvements that Tenant shall choose to make to the Premises shall be reviewed and approved by Landlord prior to the commencement of any work. Tenant:
 - 1. Shall not cut or drill or otherwise deface or injure the building;
 - 2. Shall not obstruct or permit the obstruction of, any light or skylight in or upon the building, or the adjoining sidewalk or street, or the entrance, of any other part of the building to the exclusive use of which Tenant is not entitled;
 - 3. Shall comply with all reasonable regulations of Landlord designed to promote the safety or good order of the building, as to the placing of office machines, or other heavy items, or otherwise;
 - 4. Shall not, without Landlord's prior written consent first obtained in each instance, make any alterations, additions, or improvements in or about the Premises;
 - 5. Shall not, without Landlord's prior written consent first obtained in each instance, make any alterations or additions to the (i) electric wiring, (ii) plumbing, heating or ventilating equipment, appliances, or systems, (iv) tap any mains or pipes to supply water for refrigeration or ventilating apparatus, or (v) to any other equipment, machinery apparatus, or installations in or about the Premises or the building.
- B. All alterations, additions or improvements made to the Premises by Tenant or Landlord, including, but not limited to partitions, wallpaper, paneling and shelving, unless Landlord shall otherwise elect in writing, shall, at the end of the term become the property of Landlord and be surrendered as part of the Premises, except to the extent of shelving, cabinets, and other items which were directly paid for by Tenant. Tenant shall repair significant damage to the Premises from such removal (beyond reasonable wear and tear).
- C. Tenant shall not, without Landlord's prior written approval, place or permit any signs, advertisement(s), trademark(s) or logo(s) on Tenant's: (i) stairwell doors; (ii) entrance glass or entrance panel(s), (iii) entryway(s) or exit(s) doors, panels or glass, or (iv) windows.

12.03 Prohibition of Liens. Tenant shall not do or suffer anything to be done causing the Premises to be encumbered by liens of any nature, and shall, whenever and as often as any lien is recorded against said

property, purporting to be for labor or materials furnished or to be furnished to Tenant, discharge the same of record within ten (10) days by recording the bond contemplated in AS 34.35.072 or otherwise appropriately satisfy the subject lien in full.

12.04 **Notice of Non-Responsibility.** Notice is hereby given that Landlord shall not be liable for any labor or materials furnished or to be furnished to Tenant upon credit, and that no lien of any nature or type shall attach to or affect the interest or estate of Landlord in and to the Premises herein demised. At least (20) days before commencing any work that is or may be the subject of a lien for work done or materials furnished to the Premises, Tenant shall notify Landlord in writing of the work, to allow Landlord, if it desires, to post and record notices of non-responsibility to take any other steps Landlord deems appropriate to protect its interest. The provisions in this Section do not eliminate the requirement for written consent(s) of Landlord as contemplated in Section 12.02 (A) above.

13. **ESTOPPEL CERTIFICATES.** Tenant shall, at any time and from time to time upon not less than fifteen (15) days prior request by Landlord execute, acknowledge and deliver to Landlord a statement in writing certifying that this Lease is unmodified (or in full force and effect as modified and stating the modifications) and the dates to which the rent(s) and any other charges have been paid in advance, it being intended that any such statement delivered pursuant to this Section may be relied upon by any prospective purchaser or encumbrances (including assignees) of the Premises inform as set forth in Exhibit C.

14. **SERVICES AND UTILITIES.**

14.01 **Services Furnished by Landlord.** Landlord will furnish the following services to and for the benefit of Tenant: landscaping, electric (including furnishing and replacing all lighting tubes, bulbs, ballasts or like items as required), water, elevator, janitorial five (5) business days per week, exterior grounds maintenance (including sweeping, garbage and snow removal). Any high power electrical usage or other heavy electrical demand will be charged to and borne by Tenant. Additionally, Landlord will furnish on Monday through Friday (five days) of each week appropriate heating and air conditioning during the hours of 7:00 a.m. to 7:00 p.m. (12 hours) and will not be adjusted to accommodate building use outside those hours. If Tenant requests heating and air conditioning at other times, Tenant will be charged \$25.00 per hour for use of building's heating and air conditioning system.

14.02 **Utility Charges.** Tenant shall initiate, contract for, and obtain in its own name telephone service, telecommunications, computer, security, cable, or similar services, and Tenant shall pay all charges for these services as they become due.

15. **DISCLAIMER OF WARRANTY.** Except as set forth in paragraph 25.02, Landlord makes no warranty, either express or implied, nor assumes any liability whatsoever, regarding the physical, social, economic or environmental aspects of the Premises or Building, to include, without limitation, natural or artificial hazards which may or may not exist, the suitability or profitability or fitness of the Premises or Building for any use, or the total area/square footage of the Premises. Tenant understands and agrees that Landlord is making no warranties or representations of any kind concerning the Premises and accepts the Premises in an "AS IS" condition, regardless of defects, either patent or latent. Landlord shall not be liable under any circumstances for any damages relating to the use or occupancy of the Premises or for any special, consequential or incidental damages. It is mutually agreed and understood by Landlord and Tenant that Landlord is not responsible for any action or injury caused by the presence of Tenant, its agents, invitees, employees, contractors, or employees of Tenant's contractors on the Premises.

16. **ASSIGNMENT AND SUBLETTING.** The covenants and agreements of this Lease shall be binding upon the legal representatives, successors, and assigns of the parties.

Landlord 

Tenant FMM

Tenant shall not assign, mortgage or encumber this Lease, in whole or in part, or sublet all or any part of the Premises without the prior written consent of Landlord, which consent shall not unreasonably be withheld. For any proposed sublease, Tenant shall deliver to Landlord: the name of the proposed assignee; the nature of the proposed assignee's operations to be carried on in the Premises; the terms and provisions of the proposed assignment and copies of all proposed assignment documents; a current financial statement and financial statements for the preceding three (3) years for the proposed assignee which have been certified by a reputable independent accounting firm; and such other information concerning the business background and financial condition of the proposed assignee as Landlord may reasonably request. Landlord shall be entitled to take into account any fact or factor which Landlord reasonably deems relevant to such decision, including but not limited to, the assignee's financial strength, working capital, and experience; the quality and nature of the assignee's business; the effect of the business on the building; the quality of the appearance resulting from any proposed remodeling or renovation; whether Tenant has had any defaults under this Lease; and whether the assign will be a financial success in or about the Premises. A subtenant shall only be permitted to use the Premises as general office space and storage related to such use as office space. The consent by Landlord to any assignment or subletting shall not constitute a waiver of the necessity for such consent to any subsequent assignment or subletting. This prohibition against any assignment or subletting shall be construed to include a prohibition against any assignment or subletting by operation of law.

17. TAXES AND ASSESSMENTS.

17.01 State of Alaska is tax exempt.

17.02 If applicable, Tenant shall also pay Landlord all taxes, including sales taxes, real estate taxes, and payments in lieu of taxes or similar charges, assessed by the Municipality of Anchorage ("MOA") attributable to Tenant's occupancy of the Premises. Landlord shall invoice Tenant for such amounts, and Tenant shall remit payment to Landlord within ten (10) calendar days after Landlord's delivery of said invoice to Tenant. Notwithstanding the foregoing, if the MOA ever assesses real property taxes based on the full and true value of the Property due to a change in Landlord or otherwise, then Tenant's share of such taxes shall be determined based on that certain portion of the Premises constitutes **5.93%** of the building.

18. **SURRENDER OF POSSESSION.** On the last day of the term, or on the sooner termination of the Lease, Tenant shall peacefully and quietly leave, surrender and deliver Landlord all the Premises, in clean condition, good order and repair, and the same condition as on the date Tenant took possession, ordinary wear and tear excepted, together with all alterations, additions and improvements which have been approved for the Premises, except movable furniture or movable trade fixtures put in at the expense of Tenant. If Tenant caused the Premises to be improved with ceiling suspension system, acoustical tile ceiling, fluorescent light fixtures, millwork detail, doors and door frames, hardware or carpet and base, or any corridor adjacent to the core of the building in form other than building standard quality, width and/or construction, Tenant shall pay Landlord at Landlord's option an amount equal to the cost to replace all such non-standard items with building standard items and the cost to replace such non-standard public corridor with one of building standard width and construction. Tenant shall further be obligated to pay for the cost to repair all screw holes, nail holes and/or other damage caused or left by the removal of any fixtures, furniture, equipment, decorations or alterations made by Tenant, whether or not such items are removed by Tenant. If the last day of the term of this Lease falls on Saturday, Sunday, or a holiday, this Lease shall expire on the business day immediately preceding the last day. Tenant, on or before the expiration date, shall remove all property from the Premises, and all property not so removed shall be deemed abandoned by Tenant. If the Premises is not surrendered at the end of the term, Tenant shall indemnify Landlord against loss or liability resulting from the delay by Tenant in so surrendering the Space Lease, including, without limitation, any claims made by any succeeding Tenant caused by such delay.

19. **LIABILITY AND INDEMNITY.** This indemnification clause is not required per "Insurance and Indemnity Agreement between the State of Alaska and the University of Alaska" signed and dated October 20, 2014, attached hereto and incorporated herein as "Exhibit D".
20. **INSURANCE.** This insurance clause is not required per "Insurance and Indemnity Agreement between the State of Alaska and the University of Alaska" signed and dated October 20, 2014, attached as "Exhibit D".
21. **QUIET ENJOYMENT.** Landlord covenants that upon Tenant's paying of the Rent and observing and performing all terms, covenants and conditions required to be performed by Tenant, Landlord shall protect and defend Tenant's right to peacefully and quietly enjoy the Premises for the Term of this Lease.

22. **CASUALTY, DESTRUCTION.**

22.01 **Restoration, Abatement.** If all or any part of the Premises or the building in which such Premises is situated is damaged or destroyed by fire or other casualty insured under Landlord's standard fire insurance policy, Landlord, unless it otherwise elects as herein provided, shall repair the same with reasonable dispatch out of the insurance proceeds received by it from the insurer. If the Premises or any part is damaged by fire or other casualties to such an extent as to be rendered untenable in whole or in part, then the rent shall be abated to an extent corresponding with the part untenable, for a period corresponding with the period during which such untenability exists. If, however, Tenant fails to adjust its own insurance claim within a reasonable time, and as a result the repairing and restoration is delayed, there shall be no abatement of rent during the period of such resulting delay, or if the fire or damage to the Premises is caused by carelessness, negligence or improper conduct of Tenant, then notwithstanding such damage or destruction, Tenant shall be liable for the rent during the unexpired period of the Lease term, without abatement.

22.02 **Termination of Lease Upon Damage or Casualty.**

- A. If Landlord, in its sole discretion, shall decide with ninety (90) days after the occurrence of any fire or other casualty, even though the Premises may not have been affected by such fire or other casualty, to demolish, rebuild or otherwise replace or alter the building containing the Premises, then upon written notice given by Landlord to Tenant, this Lease shall terminate on a date specified in such notice, but no sooner than thirty (30) days from the date of such notice, as if that date had been originally fixed as the expiration date of the Lease term.
- B. In the event of damage to or destruction of or to the Premises, unless Landlord shall have repaired such damage within ninety (90) days, or have commenced repairing within ninety (90) days and is proceeding with diligence and continuity, Tenant may, by written notice, terminate this Lease on the date specified in such notice, as if that date had been originally fixed as the expiration date of the Lease term, provided such early termination date be not later than one hundred fifty (150) days after the event of damage or destruction contemplated herein.

23. **EMINENT DOMAIN.**

23.01 **General.** If the whole or a part of the Premises shall be taken by any public or quasi-public use, under any statute, or by right of eminent domain, or private purchase in lieu thereof by a public body vested with the power of eminent domain, then, when possession shall be taken thereunder of the Premises, or any part thereof, the following provisions in this Section 23 shall be operative.

23.02 **Taking of All of Premises.** If all of the Premises is taken the Lease term and all right of Tenant under this Lease shall immediately cease and terminate and the rent shall be adjusted as of the time of such termination so that Tenant shall have paid rent up to the time of taking only.

23.03 **Taking of Substantial Part of Premises.** If the taking reduces the area of the Premises by at least fifty percent (50%) and materially affects the use being made by Tenant of the Premises, Tenant shall have the right by written notice to Landlord given no later than thirty (30) days after possession is taken to elect to terminate this Lease. If the taking reduces the area of the Premises by at least fifty percent (50%), Landlord shall have the right by written notice to Tenant, given not later than thirty (30) days after possession is taken, to elect to terminate this Lease.

- A. If the election to terminate is made by either Tenant or Landlord, the provisions for the taking of the whole shall govern, or
- B. If the election is not made, the Lease shall continue, Landlord shall be entitled to the full condemnation proceeds and the rent shall be reduced in the same proportion that the floor area of the Premises taken bears to the original floor area leased and Landlord shall, upon receipt of the award in condemnation, make all necessary repairs or alterations to the building in which the Premises is located so as to constitute the portion of the building not taken as a complete architectural unit, but such work shall not exceed the scope of the work to be done in originally constructing the building, nor shall Landlord in any event be required to spend for such work an amount in excess of the amount received by Landlord as damages for the part of the Premises so taken. "Amount received by Landlord" shall mean that part of the award in condemnation which is free and clear to Landlord of any collection by mortgagees for the value of demised security.

23.04 **Taking of Insubstantial Part.** If the taking reduces the ground area of the Premises by less than fifty percent (50%), the provisions of Section 23.03(B) above (where election not made) shall govern.

23.05 **Award.** Tenant shall not be entitled to and expressly waives all claim to any condemnation award for any taking, whether whole or partial, except Tenant shall have the right to claim from the condemnor, but not from Landlord, such compensation as may be recoverable by Tenant in its own right for damage to Tenant's fixtures and improvements installed by Tenant at its expense.

24. DEFAULT AND REMEDIES.

24.01 **Default of Tenant.** Each of the following, but not limited thereto, shall be deemed a default by Tenant and a breach of this Lease:

- A. A default in the payment of the rent reserved, or any part of the rent, for a period of ten (10) days, provided however, that the obligation of Tenant to pay a late charge or interest pursuant to this Lease shall commence as of the due date of the rent or such other monetary obligation and not on the expiration of the grace period.
- B. A default in the performance of any other covenants or condition on the part of Tenant to be performed, for a period of ten (10) days after the service of notice by Landlord, provided, however, that no default on the part of Tenant in the performance of work required to be performed or acts to be done or conditions to be modified shall be deemed to exist if before the end of such ten (10) day period, Tenant has begun to rectify the same, and thereafter prosecutes the curing to completion with diligence and continuity.
- C. Intentionally omitted.

- D. Intentionally omitted.
- E. The taking possession of the property of Tenant by any governmental office or agency pursuant to statutory authority for the dissolution or liquidation of Tenant.
- F. The vacation or abandonment of the Premises by Tenant.
- G. Tenant makes any general assignment for the benefit of its creditors or convenes a meeting of its creditors or any class of creditors for the purpose of effecting a moratorium upon or composition of its debts, or any class of debts.

24.02 Remedies of Landlord.

- A. Re-enter the Premises and take possession thereof; and
- B. Re-let the Premises in whole or in part for any period equal to or greater or less than the remainder of the original term of this Lease, for any sum which may be deemed reasonable; and
- C. Declare the term of this Lease ended; and
- D. Distrain for rent due; and
- E. Recover from Tenant damages from the date of such breach to the date of expiration of the original term of this Lease attributable to Tenant's default.
- F. Re-entry or re-letting of the Premises is not to be deemed a termination of this Lease, unless expressly declared to be so by Landlord. However, if this Lease is deemed terminated, Tenant's liability shall survive, and Tenant shall be liable for damages for the remainder of the term existing at said termination date. The enumeration of default rights is not intended to imply that they are mutually exclusive.

25. HAZARDOUS MATERIAL.

25.01 This Lease is subject to the hazardous material clause outlined in Section 3.C of "Insurance and Indemnity Agreement between the State of Alaska and the University of Alaska" signed and dated October 20, 2014, attached as "Exhibit D".

25.02 Lessor is required to certify that there is no asbestos containing material (ACM) in the building and no presumed asbestos containing material (PACM) in the building. If the lessor is unable to certify that there is no ACM in the building and no presumed PACM in the building, the lessor must take the necessary steps to identify the existence, location(s) of the ACM and PACM, and provide a copy of the lessor's asbestos management plan for the building daily maintenance and operations."

26. FISCAL NECESSITY – NON-APPROPRIATION OF FUNDS. The fiscal year for the State of Alaska is a twelve-month period beginning July 1 and ending June 30 of the following calendar year. Lease payments from the State are subject to annual appropriation of funds by the Alaska State Legislature. After the initial fiscal year of the lease, the Tenant has the right to terminate this lease in whole, or in part, if (1) the Alaska State Legislature fails to appropriate funds budgeted for continuation of this lease, and/or (2) the Alaska State Legislature fails to appropriate funds to the occupying agency(s) that results in a material alteration or discontinuance, in whole or in part, of the occupying agency(s)' programs. The termination of the lease for fiscal necessity and non-appropriation

Landlord 

Tenant 

of funds under this section shall not cause any penalty or liability to be charged to the Tenant, and shall not constitute a breach or an event of default by the Tenant.

27. **FORCE MAJEURE.** The Landlord is not liable for the consequences of any failure to perform, or default in performing, any of its obligations under this Agreement, if that failure or default is caused by any unforeseeable Force Majeure, beyond the control of, and without the fault or negligence of, the Landlord. For the purposes of this Agreement, Force Majeure will mean: war (whether declared or not); revolution; invasion; insurrection; riot; civil commotion; sabotage; military or usurped power; lightning; explosion; fire; storm; drought; flood; earthquake; epidemic; quarantine; or strikes.

28. **LANDLORD, LANDLORDS EMPLOYEES AND CONTRACTORS SECURITY REQUIREMENT.** The Tenant may request fingerprints, Department of Public Safety background clearance or conduct other investigations of the Landlord, Landlord's employees or employees of contractors and subcontractors performing work within the space occupied by the Tenant. Should such request be denied or unfulfilled within ten (10) days, the Tenant has the right to prohibit access of leased space to Landlord, Landlord's Employees, Contractors and/or Subcontractors. Should this refusal of access limit routine maintenance or janitorial services to the Tenant, the Tenant has the right to employ such services independent of the Landlord and to deduct the cost of services from lease payments. The Tenant at its discretion may limit or deny access to individuals in which they deem could be a security risk to the Tenant, its employees, or its mission. Tenant shall reimburse the Landlord for any costs associated with Tenant's request for security clearance requirements for the Landlord, Landlord's employees, contractors and/or subcontractors. In the event that Landlord, Landlord's employees, contractors and/or subcontractors who have not yet met the security requirements need access to the Premises in order to ensure continued operation of business within the building, Tenant shall provide an escort so work may be completed in a timely manner.

29. **GENERAL PROVISIONS.**

29.01 **Amendments.** This Lease may only be modified by a written document signed by both Landlord and Tenant.

29.02 **Waiver of Breach.** No failure by either Landlord or Tenant to insist upon the strict performance by the other of any covenant, agreement, term or condition of this Lease, or to exercise any right or remedies consequent upon a breach thereof, shall constitute a waiver of any such breach or of such covenant, agreement, term or condition. No waiver of any breach shall affect or alter this Lease, but each and every covenant, condition, agreement and term of this Lease shall continue in full force and effect with respect to any other then existing or subsequent breach.

29.03 **Severability.** If any term or condition of this Lease or the application of any term or condition to any person or under any circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Lease, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected, and each term and condition of this Lease shall be valid and be enforced to the fullest extent permitted by law.

29.04 **Time of Essence.** Time is of the essence in the performance of each of the party's respective obligations under this Lease.

29.05 **Construction of Lease.** Words of any gender used in this Lease shall be held to include any other gender: and words of the singular number shall be held to include the plural, when the sense requires. The section headings are for convenience. The parties do not intend that the headings expand, modify, amplify, or clarify the meaning of any provision of this Lease.

29.06 **Governing Law.** This Lease and the rights, remedies, liabilities and obligations of the parties shall be interpreted, construed and enforced in accordance with the laws of the state of Alaska.

29.07 **Subordination and Attornment.**

A. Tenant accepts this Lease subject and subordinate to all the underlying leases, leasehold mortgages, deeds of trust, or other mortgages now or hereafter a lien upon or affecting the land and building of which the Premises area part. Tenant shall, at any time hereafter, on demand, execute any instruments, releases, or other documents that may be required by any beneficiary, mortgagee or mortgagor, of the purpose of subjecting and subordinating this Lease to the lien of any such deed of trust, mortgage or mortgages, or underlying lease. The failure of Tenant to execute any such instruments, releases, or documents, shall constitute a default hereunder.

B. In the case of the failure of Tenant to execute said documents on demand, Landlord is hereby authorized, as the attorney and agent of Tenant, to execute such releases, instruments, or other documents, and in such event Tenant hereby confirms and ratifies any such instruments so executed by virtue of this power of attorney.

29.08 **Excuse for Non-Performance.** Either party hereto shall be excused from performing any or all of its obligations with respect to any repair and construction work required under the Lease term for such times the performance of any such obligation is prevented or delayed by an act of God, floods, explosion, the elements, war, terrorism, invasion, insurrection, riot, mob violence, sabotage, inability to procure labor, equipment, facilities, materials or supplies in the open market, failure of transportation, strikes, lockouts, action by labor unions, or laws or order of governmental agencies, or any other cause whether similar or dissimilar to the above which is not within the reasonable control of such party.

29.09 **Brokerage.** Tenant represents and warrants that it has not consulted or negotiated with any broker, finder or agent with regard to this Lease except Colliers International, who shall be paid a commission by the Landlord pursuant to a separate agreement between Landlord and Colliers International.

29.10 **Surrender of Lease Not Merger.** Neither the voluntary or other surrender of the Lease by Tenant, nor the mutual termination of this Lease shall cause a merger of the titles or estates of Landlord and Tenant, but such surrender or cancellation shall, at the option of Landlord, either terminate all or any existing subleases or operate as an assignment to Landlord of any such subleases.

29.11 **Authorship.** This Lease shall be interpreted as if written by both parties.

29.12 **Memorandum of Lease.** Tenant agrees that Tenant will not record this Lease. At the request of either Landlord or Tenant, the parties shall execute a memorandum of lease for recording purposes in lieu of recording this Lease.

29.13 **Exhibits.** The following Exhibits attached hereto constitute an integral part of this Lease:
Exhibit A - Floor Plans
Exhibit B - Tenant Improvements
Exhibit C - Estoppel Certificate
Exhibit D – Insurance and Indemnity dated October 20, 2014

30. **REPRESENTATION AS TO AUTHORITY.** Each signatory represents that he or she has the authority and is authorized to enter into this Lease.

31. **ENTIRE AGREEMENT.** This Lease, and the exhibits, set forth all of the terms, conditions, covenants and agreements of the parties in this Lease and supersede any former agreements, oral or written. There are no other terms, conditions, covenants, or agreements.

IN WITNESS WHEREOF, the parties have executed this Lease.

TENANT:

F. Matthew Moya

Matt Moya, Contracting Officer III

**STATE OF ALASKA
DEPARTMENT OF TRANSPORTATION & PUBLIC FACILITIES
DIVISION OF FACILITIES SERVICES – 05**

5/23/2023

Date

UNIVERSITY:

DocuSigned by:

Adrienne Stolpe

Adrienne K. Stolpe, Director of Land Management

UNIVERSITY OF ALASKA

May 24, 2023

Date

EXHIBIT A FLOOR PLAN

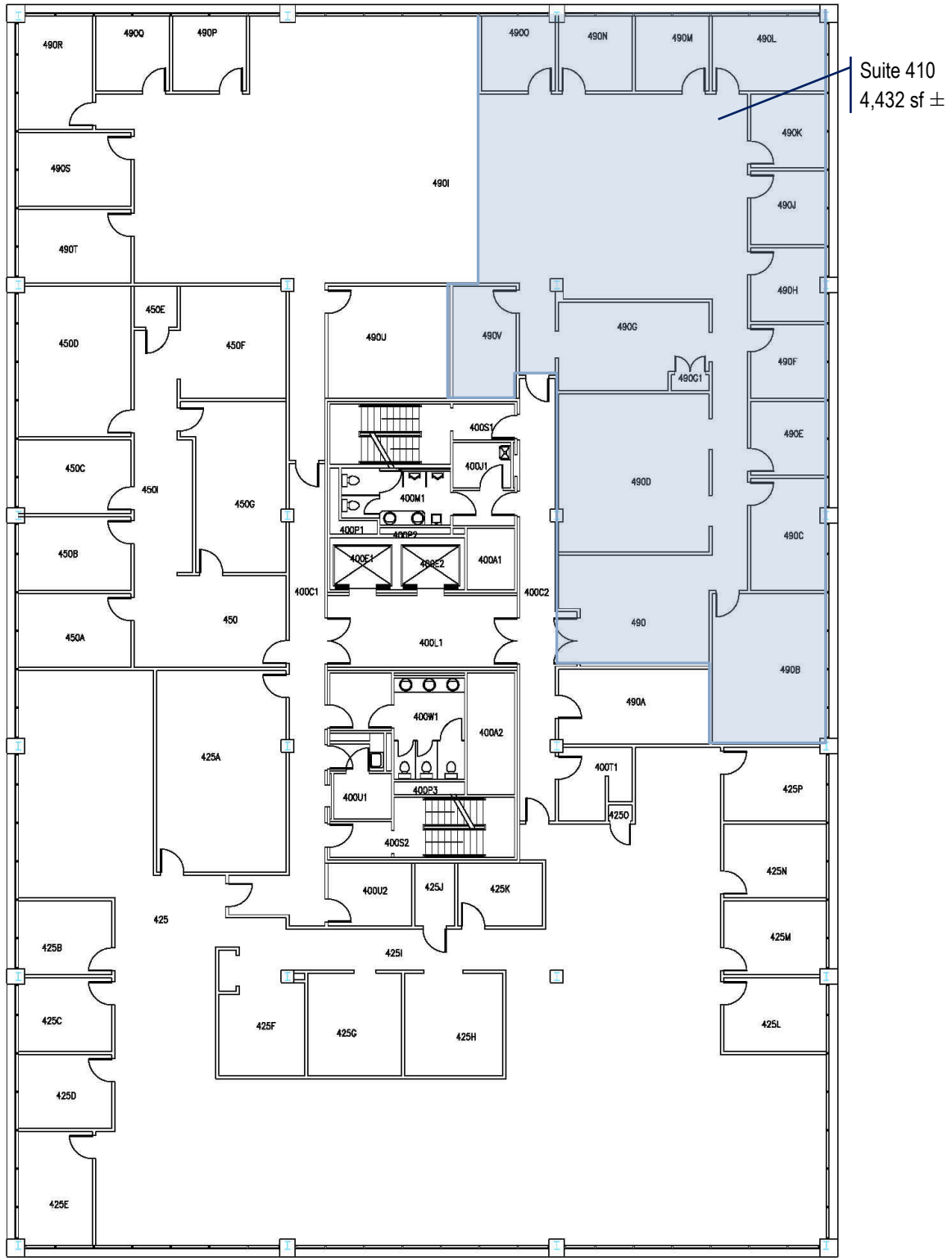


EXHIBIT B
TENANT IMPROVEMENTS

Landlord will cover all costs associated with painting the Premises and construction management and will coordinate work for the construction of the demising wall for the Premises, painting, and replacement of flooring and cove base. Costs associated with construction of the demising wall and flooring will be split evenly by Landlord and Tenant.

Tenant shall be fiscally responsible for installation and wiring for cubicles, and installation of a standalone A/C unit for the server room and server room high temp sprinkler modifications. Tenant shall coordinate construction and installation with Colliers International, on behalf of the Landlord, who will oversee construction oversight for the tenant improvements.

Additional Tenant costs include: data, security, and furniture per existing state contracts and all moving expenses.

Estimate for Tenant's TI Contribution, to be paid to the University:

	<u>State</u>
Demising Wall Construction (½)	\$11,715.98
Flooring (½)	\$15,192.00
Server Room Stand-alone 1-ton AC Unit	\$23,000.00
Server Room High Temp Sprinkler Mods.	\$1,035.00
Total Contribution (plus construction mgmt. fee below)	\$50,942.98

Estimate for Tenant's TI Construction Management Fee, to be paid to Colliers directly. Subject to change, dependent on total contribution as listed above:

$$4.75\% \text{ of } \$50,942.98 = \mathbf{\$2,419.79}$$

EXHIBIT C
ESTOPPEL CERTIFICATE

To: Purchaser of the Property and/or Purchaser's Lender

THIS IS TO CERTIFY THAT:

1. The undersigned is the Tenant under that certain lease, dated _____, 20____ which has been amended by _____ (if none, enter NONE), dated _____ attached hereto as Exhibit A (said Lease and amendment(s) thereto are collectively referred to herein as the "Lease") for those certain premises commonly known as _____, in _____, Alaska ("Property").
2. The Lease is in full force and effect and has not been modified, changed, altered or amended in any respect and is the only lease or agreement between the undersigned and Landlord affecting the Property.
3. The undersigned has accepted possession and now occupies the Property. The construction of the space occupied by the undersigned has been satisfactorily completed in all respects. Landlord is not required to make any further tenant improvements nor pay for any tenant improvements to be made by Tenant except as follows:

4. All conditions of the Lease to be performed by Landlord for the Lease to be fully effective have been satisfied, and Landlord has fulfilled all of its duties and obligations under the Lease.
5. The Lease term began _____ and the Lease term expires _____. Except as set forth on Schedule 1 to this Estoppel, Tenant has no right or option to extend the term of the Lease. The rent presently being paid is \$_____ per month. All rentals, charges and other obligations on the part of the undersigned under the Lease have been paid to and including the date of _____, 20____. No rentals, charges or other obligations have been prepaid for more than two (2) months. A security deposit, if any, of \$_____ was paid to the Landlord.
6. There are no existing defenses which the undersigned has against the enforcement of the Lease by Landlord, and the undersigned is entitled to no free rent nor any credits, offsets, or deductions in rent.
7. No actions, whether voluntary or otherwise are pending against the undersigned under the bankruptcy laws of the United States or any state thereof.
8. Tenant has no right of first refusal or option to lease space in addition to the space it currently occupies under the Lease.
9. Tenant has no right of first refusal or option to purchase the Property or any part thereof.
10. Tenant has not received or been entitled to receive any concessions, free rent or tenant improvements of any kind that are not set forth in the Lease.
11. Tenant acknowledges that Landlord will assign Landlord's interest in the Lease to Purchaser and agrees to attorn to Purchaser and to perform all of Tenant's obligations as Tenant under the Lease, including, without limitation, the payment of rent directly to Purchaser (or to a management company at the written direction of Purchaser) at

the address set forth above, unless Tenant is otherwise notified in writing by Purchaser.

- 12. To the best of Tenant's knowledge, the Tenant is not in default under the Lease nor has any event occurred which, with the passage of time or the giving of notice, or both, would constitute a default or breach by Tenant. Tenant is current in the payment of any rent, taxes, utilities, common area maintenance payments, or other charges required to be paid by Tenant under the Lease.
- 13. Tenant has not entered into any sublease, assignment or any other agreement transferring any of its interest in the Lease or the Property.
- 14. Tenant represents, to the best of its knowledge, that no hazardous materials, toxic substances or other contaminants ("Hazardous Materials") have been used, treated, stored or disposed of by Tenant or any representatives or agents of Tenant on the Property except in compliance with all federal, state and local laws, rules and regulations applicable to Hazardous Materials and the environment. Tenant further represents that Tenant does not hold any permits or identification numbers issued by the United States Environmental Protection Agency or any state or local agencies with respect to Tenant's operations upon the Property.
- 15. Tenant recognizes and acknowledges it is making these representations to Landlord and to Purchaser and its lenders and assignees with the intent that the Purchaser and its members, partners, lenders and assignees may rely hereon and as a material inducement to the Purchaser's purchase of the Property from Landlord.

TENANT:

Dated: _____

By: _____
(Please SIGN Here)

(Please PRINT Name)

(Please PRINT Title)



THE STATE
of ALASKA
ESTABLISHED 1907



UNIVERSITY
of ALASKA
1907

Department of Administration
DIVISION OF RISK MANAGEMENT

System Office of Risk Services

**INSURANCE AND INDEMNITY AGREEMENT
BETWEEN THE STATE OF ALASKA AND THE UNIVERSITY OF ALASKA**

The **STATE OF ALASKA**, through its Risk Management Division Director, Scott Jordan ("State") and the **UNIVERSITY OF ALASKA** through its Chief Risk Officer, Nancy Spink ("University") agree that in most instances it is not necessary or productive to require insurance and indemnity provisions in contracts between the State and the University.

Scott Jordan has discussed the proposal to eliminate insurance and indemnity provisions in most contracts between the State and the University with the Attorney General's Office and the Attorney General for the State of Alaska has approved this Agreement. Nancy Spink has discussed this proposal with the University's General Counsel's Office and the General Counsel for the University has approved this Agreement as well.

THEREFORE, the State and the University agree as follows:

1. **PROOF OF INSURANCE.** In contracts where the State and the University are the only parties, neither party will insist or require the other to provide proof of insurance ("certificates of insurance") unless the contract involves special risk coverage, such as student professional liability insurance. Basic insurance coverage, i.e., general liability, workers' compensation, auto liability, property, aviation, and marine, will not require written proof of insurance.
2. **INDEMNITY PROVISIONS.** In contracts where the State and the University are the only parties, the parties agree to remove indemnity provisions and to not require the State to indemnify the University or the University to indemnify the State.
3. **EXCEPTIONS.** The following are exceptions to this Agreement:
 - A. The State and the University agree that either party may require an indemnity provision in construction contracts, real property purchase agreements, or where Alaska statutes or regulations specifically require indemnity.
 - B. When the State awards grants to the University, the parties agree that an indemnification provision is appropriate. They also agree that in these grants they will use the following indemnity provision that the Attorney General's Office and the General Counsel's Office have approved:

The University shall indemnify, hold harmless, and defend the State of Alaska from and against any claim of, or liability for error, omission or negligent act of the University under this Agreement. The University shall not be required to indemnify, hold harmless, or defend, the State of Alaska for a claim of, or liability for, the independent negligence of the State. If there is a claim of, or liability for, the joint negligent error or omission of the University and the independent negligence of the State of Alaska, the indemnification and hold harmless obligation shall be apportioned on a comparative fault basis. "University" and "the State of Alaska", as used within this article, include the employees, agents and other contractors, or grantees who are directly responsible, respectively, to each. The term "independent negligence" is negligence other than in the State of Alaska's selection, administration, monitoring, or controlling of the University and in approving or accepting the University's work.

- C. In land and facility-use agreements for a term greater than 180 days (for example, permits, leases and licenses), the parties agree that a standard indemnity provision will not be required by either party but that the land owner may include the following hazardous materials indemnification:

[Non-Land Owner] shall indemnify, defend, and hold the [Land Owner], its [Board of Regents,] officers, agents, and employees harmless from all claims, judgments, damages, penalties, fees, costs, liabilities, or losses that arise out of or in connection with the presence or release of hazardous material caused or negligently permitted by the [Non-Land Owner] on the land, in, on or under the facility or on adjoining property. This indemnification of the [Land Owner] by the [Non-Land Owner] includes, without limitation, reasonable costs incurred in connection with defense or enforcement of any provisions of this [Agreement], any investigation of site conditions or any cleanup, remedial, removal, or restoration work required by any state or federal environmental regulatory agency pursuant to Environmental Law because of Hazardous Material present in the soil or groundwater on the land, the facility or on adjoining property. The [Non-Land Owner] shall seek the [Land Owner's] approval for all such remedial actions, and the [Land Owner] shall not unreasonably withhold approval so long as the remedial actions would not potentially have any material adverse long-term or short-term effect on the land, in, on or under the facility or land or the adjoining property owned by the [Land Owner].

The term "Environmental Law" as used in this Agreement includes any liability arising under common law and any applicable federal, state, or local statute, law, regulation, ordinance, code, or permit, or orders of any governmental entity relating to environmental (air, water, groundwater, soil, noise, and odor) matters, including by way of illustration and not by way of limitation, the Clean Air Act, the Federal

Water Pollution Control Act, RCRA, CERCLA, the Clean Water Act, the hazardous Materials Transportation Act, the Toxic Substances Control Act and all other applicable federal, state, and local environmental requirements.

The term "hazardous material" as used in this Agreement includes any hazardous or toxic substance, material, or waste, that is or becomes regulated by any municipal governmental authority, the State of Alaska, or the United States government.

- D. In those rare circumstances where the subject of the contract is uncommon, where the risks are high and weigh primarily against one party, and where the potential damages are unusually large, an indemnity provision may be appropriate. In this situation, the parties agree that the University's risk manager, after consultation with the University's General Counsel, and the State's risk manager will first attempt to resolve mutually acceptable terms and if unable to do so they will refer the contract to the Attorney General's office and the General Counsel's office to negotiate an indemnity provision if appropriate and necessary.
- 4. **TERMINATION.** Either party may terminate this agreement by giving sixty (60) days written notice of its intent to terminate to the risk manager of the other party. However, both parties commit to attempt informal resolution of issues in the spirit of avoiding termination of this Agreement.
- 5. **NOTICE.** Notice of this agreement has been given to all departments and agencies of the State with a request to implement it, and notice has been given to all departments, units and offices of the University with a request to implement it.

STATE OF ALASKA




 Scott Jordan
 Director, Division of Risk Management
 (907) 465-5723

10/20/14

 Date

UNIVERSITY OF ALASKA



 Nancy Spink
 Chief Risk Officer, Risk Services
 (907) 450-8153

10/17/14

 Date