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FEB 15 1980
The Alaska Railroad
Office of Chief Engineer

DEPARTMENT OF TRANSPORTATION
FEDERAL RAILROAD ADMINISTRATION
THE ALASKA RAILROAD
P. O. BOX 7-2111
ANCHORAGE, ALASKA 99510

Contract No. 69-25-0003-5136

L E A S E

THIS INDENTURE, made this 15th, day of February, 1980, by and between THE ALASKA RAILROAD, herein called the "Railroad," and WHITTIER MANOR CONDOMINIUM ASSOCIATION. P. O. Box 1759, Anchorage, AK. 99510, herein called the "Lessee".

WITNESSETH:

FIRST: The Railroad hereby leases to the Lessee the following described property:

Beginning at Corner "G", City of Whittier Subdivision phase one, part of USS 2559; thence N 76° 29' E, 42.18 feet; thence N 55° 39' E, 915.58 feet to true point of beginning; thence N 34° 21' W, 115.0 feet; thence N 55° 39' E, 510.7 feet; thence S 34° 21' E, 115.0 feet; thence S 55° 39' W, 510.7 feet to true point of beginning. Said parcel contains 58,730.5 square feet more or less as shown in "RED" on the attached print.

TO HAVE AND TO HOLD the above-described premises, subject to the provisions following, for a term of Forty (40) Years, beginning January 1, 1980, but subject always to the following express conditions, namely:

1. The Lessee agrees to use the above described premises during the term hereof for the sole and exclusive purpose of Condominium association subject to Horizontal Property Regime Act of State of Alaska and not to reside or permit anyone other than a watchman to reside on the premises herein leased, or use the premises for any other purpose other than that authorized herein without the consent of the Railroad first had and obtained.

2. The Lessee agrees to pay as rental for the said premises the sum of TWO THOUSAND THREE HUNDRED FOURTY-NINE DOLLARS (\$2,349.00) per annum payable annually in advance on JANUARY 1 of each year; and also agrees to pay, before the same shall become delinquent, all taxes and assessments levied and assessed during the term of this lease upon any buildings or improvements placed by the Lessee upon the property herein leased. Provided that on or about January 1, 1985 and on or about the 1st day of each five-year period thereafter, during the term of this lease or any extension thereof, the rental rate will be adjusted to the fair-market rental value as determined by a qualified appraiser. It is understood and agreed that the above rental is the sole charge to be made for the rights, interests and privileges granted and extended to the Lessee herein; PROVIDED, however, that in the event the above-described premises are located within a public improvement district established by a duly constituted authority, the Lessee shall pay to the duly constituted authority the appropriate assessment levied; PROVIDED further, that if the Lessee fails to pay such assessment, the then current rental rate or any adjustments thereto, as outlined above, shall be increased by a sum of 12 percent per annum of the amount of such assessment attributable to said leased premises during the life of the lease, or any extensions thereto.

3. That all goods and chattels, or any other property used or kept on said premises, shall be held for the rent under this lease, the Railroad being hereby given a valid and first lien upon all goods, chattels and property belonging to the Lessee, including all buildings and improvements placed upon said demised premises at any time during the term of this lease.

4. It is agreed that this lease may be terminated by the Lessee upon giving ninety (90) days' notice in writing to the Railroad. All notices to the Railroad may be effectually given by letter deposited by the Lessee postpaid in a United States Post Office addressed to The Alaska Railroad, Pouch 7-2111, Anchorage, AK. 99510. All notices to the Lessee may be effectually given by the Railroad by posting or leaving the notice on the leased premises, or by letter deposited postpaid in a United States Post Office addressed to the Lessee at P. O. Box 1759, Anchorage, Alaska 99510. Lessee shall advise the Railroad any change of address.

X Change ADDRESS

5. The Lessee agrees not to place or erect any building or structure on said premises without first submitting a plan or sketch thereof to the Railroad for approval, and, when approved by the Railroad, the building or structure shall be placed or erected in strict accordance with such plan or sketch.

6. The Lessee agrees that all buildings or other structures, all poles, signs, and stored materials, etc., to be erected or placed along the spur track, shall conform to The Alaska Railroad Standard Clearance Diagram No. 90.21. Doors on track side of buildings shall be so hung as not to swing toward track.

7. The Lessee agrees, at the Lessee's own cost and expense, to observe and comply with all the laws, rules, regulations, and orders of any duly constituted authority. The Lessee shall maintain at Lessee's sole cost and expense adequate fire extinguishers upon the said premises.

8. The Lessee agrees to keep the premises above-described in a neat, clean and sanitary condition, clear of all straw, rubbish and waste material, and to keep the same free from any brush, weeds, or grass.

9. The Lessee shall not dump gasoline, oil or any waste material on the leased premises that would tend to contaminate any creek or source of water supply used by the Railroad or people of the surrounding area, or as a salmon propagation stream. A complete sewage disposal system shall be constructed in compliance with the Division of Sanitation and Engineering of the Alaska Department of Health. No portion of the system shall be commissioned until approval is given by the recognized authority of the above mentioned department. If a sanitary sewer line is constructed adjacent to the leased premises, the Lessee agrees to participate in the cost of construction in such amount as may be attributable to said leased premises, payments to be made as required by the governmental body that constructed said sewer line, and Lessee agrees to connect sanitary facilities on the leased premises to said sewer line.

10. If the above-described land is situated on navigable waters, the Lessee agrees to secure a permit from the Secretary of the Army before constructing any buildings or improvements coming within the prohibition of the law governing the erection of structures upon navigable waters and also to secure from the Bureau of Land Management any permit necessary for the occupancy of tide lands adjacent to the leased area.

11. It is further agreed as one of the material considerations of this lease, that the Railroad shall not be held liable to the Lessee for any loss or damage arising from the construction

or operation of its railroad; and that the Lessee shall at all times indemnify and save harmless the Railroad from any and all claims and liability for personal injury to any person or persons while on said premises and for damage or destruction of property on said premises during the Lessee's occupancy thereof. This provision shall not be interpreted to mean that the Lessee shall assume liability for the negligence of Railroad employees while acting within the scope of their employment.

12. It is further agreed that the Lessee shall have no power to assign this lease, or to sublet the whole or any part of the property so leased to any other person or persons without the prior written consent of the Railroad.

13. The Lessee agrees not to grant or permit any railroad or transportation company or persons engaged in transportation, other than the Lessee or the Railroad, to use any track which is now or hereafter may be constructed upon the said premises without express permission from the Railroad in writing.

14. The Lessee agrees not to permit any signs or advertisements of any description to be posted about such premises, other than those of the business of the Lessee, and as shall be approved by the Railroad.

15. The Lessee understands and agrees, at the Lessee's own cost and expense, to locate and establish the boundaries of the lease area. The Lessee further agrees to construct or place all of its improvements or personal property within the established boundaries of said lease area.

16. No Member of or Delegate to Congress or Resident Commissioner shall be admitted to any share or part of this contract or to any benefit that may arise therefrom, but this provision shall not be construed to extend to this contract if made with a corporation for its general benefit.

17. The Lessee warrants that no person or agency has been employed or retained to solicit or secure this lease upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee, excepting bona fide employees or bona fide established commercial or leasing agencies maintained by the Lessee for the purpose of securing leases. For breach or violation of this warranty, the Government shall have the right to annul this lease without liability or in its discretion to require the Lessee to pay, in addition to the rental or consideration, the full amount of such commission, percentage, brokerage or contingent fee.

18. The following provisions governing performance of work under Government contracts as set out in Section 202 of Executive Order No. 11246, dated September 24, 1965, shall be applicable to this contract, and shall be included in all contracts executed by the Lessee for the performance of work contemplated by this contract, and for that purpose the term "contract" shall be deemed to refer to this instrument and to contracts awarded by the Lessee and the term "contractor" shall be deemed to refer to the Lessee and to contractors awarded contracts by the Lessee:

(a) The Lessee will not discriminate against any employee or applicant for employment because of race, creed, color, or national origin. The Lessee will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, creed, color, or national origin. Such action shall include, but not be limited to the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Lessee agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the contracting officer setting forth the provisions of this nondiscrimination clause.

(b) The Lessee will, in all solicitations or advertisements for employees placed by or on behalf of the Lessee, state that all qualified applicants will receive consideration for employment without regard to race, creed, color, or national origin.

(c) The Lessee will send to each labor union or representative of workers with which he has a collective bargaining agreement or other contract or understanding, a notice, to be provided by the agency contracting officer, advising the labor union or workers' representative of the Lessee's commitments under Section 202 of Executive Order No. 11246 of September 24, 1965, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

(d) The Lessee will comply with all provisions of Executive Order No. 11246 of September 24, 1965, and of the rules, regulations, and relevant orders of the Secretary of Labor.

(e) The Lessee will furnish all information and reports required by Executive Order No. 11246 of September 24, 1965, and by the rules, regulations and orders of the Secretary of Labor, or pursuant thereto, and will permit access to his books, records, and accounts by the contracting agency and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.

(f) In the event of the Lessee's noncompliance with the nondiscrimination clauses of this contract or with any of such rules, regulations, or orders, this contract may be cancelled, terminated or suspended in whole or in part and the Lessee may be declared ineligible for further Government contracts in accordance with procedures authorized in Executive Order No. 11246 of September 24, 1965, and other such sanctions may be imposed and remedies involved as provided in Executive Order No. 11246 of September 24, 1965, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.

(g) The Lessee will include the provisions of Paragraphs (a) through (g) in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to Section 204 of Executive Order No. 11246 of September 24, 1965, so that such provisions will be binding upon each subcontractor or vendor. The Lessee will take such action with respect to any subcontract or purchase order as the contracting agency may direct as a means of enforcing such provisions including sanctions for noncompliance: Provided, however, that in the event the Lessee becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the contracting agency, the Lessee may request the United States to enter into such litigation to protect the interests of the United States.

19. The Lessee further expressly agrees that if the premises under this lease, or any part thereof, shall be used for any unlawful purpose at any time during the term of this lease, or if the Lessee shall fail to keep and perform each and every stipulation and condition of this lease during the term hereof, or if, at any time during the said period, the Lessee shall fail to comply with any regulation or requirement which the Railroad in its discretion shall make or authorize to be made for the promotion of sanitation and fire protection, then the rights and estate of the Lessee therein shall absolutely cease and terminate, and a forfeiture thereof, giving the Railroad the right to re-enter and take immediate possession of said premises, may be declared by the Railroad, whose ruling or finding of fact shall be final.

SECOND: The Lessee hereby accepts the foregoing lease, and covenants and agrees faithfully to observe and perform all the terms, conditions and requirements therein contained, and the Lessee further agrees to surrender the quiet and peaceful possession of said demised premises at any termination of this lease. If the Lessee has fully performed all his obligations hereunder, he shall have the option of completely removing from said premises within thirty (30) days after termination of lease any buildings owned or placed on the premises by him which he may elect to remove. Upon

failure of Lessee to so remove such buildings within said time, said buildings shall thereupon, at the option of the Railroad, become and remain the sole property of the Railroad, or if the Railroad so elects, it may remove from said premises any or all of said buildings at the expense of the Lessee, which expense Lessee agrees to pay the Railroad upon demand.

LASTLY: It is further agreed that all the terms, conditions and covenants of this lease shall inure to the benefit of the said Railroad, its successors and assigns, and be binding upon the Lessee, its successors, assigns and legal representatives.

IN WITNESS WHEREOF, the parties hereto have executed this agreement the day and year first above written.

THE ALASKA RAILROAD

By *M. W. ...*
Real Estate Officer

WHITTIER MANOR CONDOMINIUM ASSOCIATION

By *Lawrence ...*
Title *President*

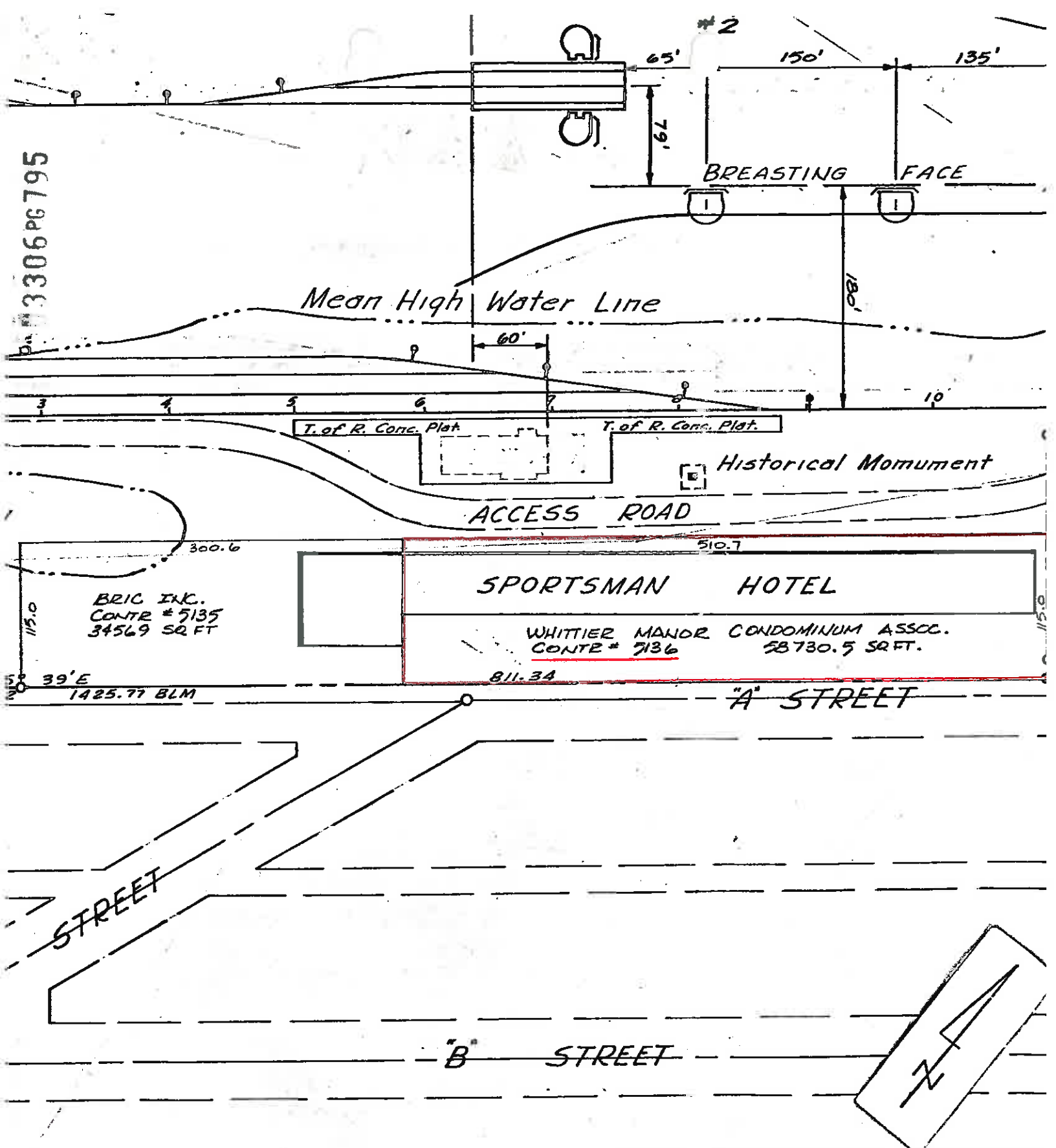
(If the Lessee is a corporation, the following certificate shall be executed by an officer other than the officer who signed the lease. This second officer shall sign this document certifying that the officer who did sign the lease actually was the officer as indicated on the last sheet of the lease.)

I, DOROTHY WHITCRAFT, certify that I am the SECRETARY of the corporation named as Lessee in the above lease, that LAWRENCE H. PALMER who signed said lease on behalf of the Lessee was then the PRESIDENT of said corporation, that said lease was duly signed for and in behalf of said corporation by the authority of its governing body, and is within the scope of its corporate powers within the

Ms. Dorothy Whitcraft (Corporate Seal)

RECORDERS OFFICE RETURN TO:
ALASKA RAILROAD CORPORATION
ATTN: REAL ESTATE
P.O. BOX 107500
ANCHORAGE, AK 99510-7500

3306 PG 795



THE ALASKA RAILROAD
 OFFICE OF THE CHIEF ENGINEER
 LOC. WHITTIER TERMINAL RESERVE
 CONTR. NO. 69-25-0003-5136
 DATE: 12/18/79
 FILE NO. 7-5

BK 3305 PG 796

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ANCHORAGE
RECORDING DISTRICT

REQUESTED BY

PNT