

CITY HALL BUSINESS PREMISES SUBLEASE

SUBLEASE AGREEMENT effective as of the \_\_\_\_ day of \_\_\_\_\_, 2022, by and between the Municipality of Anchorage (referred to as “Landlord”) and \_\_\_\_\_ (referred to as “Subtenant”).

For valuable consideration, receipt of which is hereby acknowledged, the parties agree to the following:

1. Subleased Premises. Landlord hereby subleases to Subtenant, and Subtenant hereby subleases and takes from Landlord, a portion of the City Hall building located at 632 West Sixth Avenue, Anchorage, Alaska (the “Building”) situated on real property (the “Property”) in Anchorage Recording District, Third Judicial District, State of Alaska, described as:

Lots 4-A, Block 69, of Original Townsite of Anchorage, according to Plat No. 63-79, filed in Anchorage Recording District, Third Judicial District, State of Alaska.

Lots 8, 9, and 10, and the West one-half of Lot 11, Block 69, of Original Townsite of Anchorage, according to Plat No. 63-79, filed in Anchorage Recording District, Third Judicial District, State of Alaska.

The Subleased Premises, being a portion of the Building situated on the above-described parcels includes an Exclusive Use Area, described as 349 square feet of building space (approximately 20’x15’) located on the first floor, and a Non-exclusive Use Area which includes area for ingress and egress of Subtenant and its business customers, employees, vendors, deliver persons, and contractors through the common entry doorways; building elevators and common areas for food delivery purposes; and first floor lavatories.

Areas specifically excluded from the Subleased Premises are any areas on the first floor which are not common areas, the storage areas, the plenum area (area above the ceiling surface), and the parking lot for use of parking motor vehicles of Subtenants or its business customers, employees, vendors, deliver persons or contractors.

2. Term of Sublease. The term of the Sublease shall commence effective as of the \_\_\_\_\_ day of \_\_\_\_\_, 2022 and shall run through the \_\_\_\_\_ day of \_\_\_\_\_, 2024, except that there shall be an option to extend the sublease, if mutually agreed between Subtenant and Landlord, for two (2) one-year periods upon all terms and conditions set forth herein, except rent shall be established as stated in section 3 of this agreement.

3. Rent. Subtenant shall pay Landlord the following monthly amounts during the respective periods based on an initial rate of \$ \_\_\_\_\_ per square foot and an increase of 3% each subsequent year:

Period from the 1<sup>st</sup> day of \_\_\_\_\_, 2022 through the 31<sup>st</sup> day of \_\_\_\_\_, 2023: \$ \_\_\_\_\_ per month.

Period from the 1<sup>st</sup> day of \_\_\_\_\_, 2023 through the 31<sup>st</sup> day of \_\_\_\_\_, 2024: \$ \_\_\_\_\_ per month.

The rent for each month shall be paid to Landlord in advance at the address specified for the provision of notices in this Sublease, or at such other place as Landlord may direct in writing from time to time. Such payments shall be made in advance on or before the first day of each calendar month. In the event that the term of this Sublease shall commence on any day other than the first day of a calendar month, the first month's rent shall be prorated for that month.

4. Monthly Rent During Option Period. In the event that Subtenant timely elects by mutual agreement to the option to extend the term of the Sublease as stated in paragraph 3 and as provided in option extension paragraph 28. Rent shall be set forth as:

Option No.1 - Period from the 1<sup>st</sup> day of \_\_\_\_\_, 2024 through the 31<sup>st</sup> day \_\_\_\_\_, 2025: \$ \_\_\_\_\_ per month.

Option No.2 - Period from the 1<sup>st</sup> day of \_\_\_\_\_, 2025 through the 31<sup>st</sup> day \_\_\_\_\_, 2026: \$ \_\_\_\_\_ per month.

5. Utilities and Services. Landlord shall be responsible for the utilities being generally provided for the Subleased Premises as of the commencement of this Sublease, being electricity, trash dumpster facility and removal service, heat and other air temperature control, ventilation, sewer service, water service, snow removal for the sidewalks, alleyway and parking lot, exterior lighting.

Subtenant shall be responsible for janitorial services, telephone, communications and data services and all other services which Subtenant obtains for the Subleased Premises.

Note: Subtenant shall also be responsible for the annual sink drain(s) cleaned/serviced by a qualified professional.

6. Taxes. Subtenant shall be responsible for and shall timely pay all personal property taxes on personal property owned by and it and used on the Subleased Premises. In addition, in the event that taxes are at any time imposed on rent payments, Subtenant shall be responsible for timely payment of such.

7. Acceptance of Subleased Premises. Subtenant accepts the Subleased Premises "as is" at the commencement of the term of this Sublease and their then present condition, subject to all applicable zoning, municipal, state and federal laws, ordinances and regulations governing and regulating the use of the Subleased Premises and accepts this

Sublease subject to such. Subtenant acknowledges that neither Landlord nor Landlord's agents have made any representations or warranties other than as expressly set forth in this Sublease, and that this Sublease does not include any representations or warranties with regard to the suitability of the Subleased Premises for the conduct of the Subtenant's business.

8. Additions, Alterations or Improvements to Premises. Subtenant shall not have the right to make any additions, alterations, or improvements in or to the Subleased Premises unless and until Subtenant obtains the express prior written consent of the Landlord, which shall not be unreasonably withheld. Any such alterations, additions or improvements approved by Landlord shall be made at Subtenant's expense, and Landlord may require, as a condition of approval, that Subtenant agree to return Subleased Premises to their existing condition before expiration of the term of this Sublease. If Subtenant makes any such alterations, additions, or improvements which give rise to issues under the Americans With Disabilities Act, 42 U.S.C. Sec. 1201 et seq., or any other law, then Subtenant shall pay all costs associated with resolving such issues, and to indemnify, defend and hold Landlord harmless from all claims arising from such issues. Any additions, alterations, or improvements to the Subleased Premises which are readily removable (such as counters, shelving, safes, security systems, signs, trade fixtures and similar items) shall not become a part of the Subleased Premises and shall continue to be the property of Subtenant. Improvements to the Subleased Premises which are not readily removable (which may not be constructed unless previously approved in writing by Landlord) shall become the property of the Landlord unless otherwise agreed or required by the Landlord.

Subtenant acknowledges that landlord is the tenant of Anchorage Public Private Partnership, LLC ("Lessor") and Subtenant agrees that no mechanic's or materialman's lien shall be permitted by Subtenant to attach to Lessor's interest in the subleased premises, the Building, or the real property on which it is situated.

Landlord shall not be responsible for payment of any labor or materials furnished to the Subleased Premises at Subtenant's request, and no mechanic's or materialman's liens for such labor or material shall be permitted by Subtenant to attach to Landlord's interest in the Subleased Premises.

9. Repair and Maintenance of Subleased Premises. Landlord shall, at its expense, maintain and keep in good repair the foundations, exterior walls, roof, other structural portions of the Building and Subleased Premises and all electrical and mechanical portions of the Subleased Premises (e.g., heating, plumbing, temperature control systems, etc.) unless the repairs or maintenance are required because of actions of the Subtenant or his customers, business invitees, employees, vendors, delivery persons, agents or contractors (in which event Subtenant shall be responsible for such repair and maintenance costs). Repair or replacement of broken windows or door glass in or to the Subleased Premises shall be the responsibility of Subtenant unless caused by other than Subtenant or his customers, business invitees, employees, vendors, delivery persons, agents or contractors. Subtenant shall, at its expense, maintain the interior of the

Subleased Premises at all times in good condition and repair (excluding those items previously specifically provided above to be the responsibility of the Landlord). Subtenant shall commit no waste of any kind in, on or about the Subleased Premises, nor create or suffer any nuisance. Mechanical cleaning of drain(s) shall be done annually by a qualified professional, at the Subtenant's expense.

At the expiration of the term of this Sublease, Subtenant shall return the Subleased Premises to Landlord in good condition, except for those repairs and maintenance for which Landlord is responsible and except for reasonable wear and tear.

All repairs and maintenance for which Subtenant is responsible shall be made in good and workmanlike manner at least comparable to the remainder of the Building, made only by contractors licensed and bonded in compliance with all applicable municipal, state, federal, and other governmental laws, statutes, ordinances, rules and regulations, and with insurance coverage in the minimum amounts specified in paragraph 14.

10. Use of the Subleased Premises.

(a) Use of the Subleased Premises by Subtenant is limited solely for operating an espresso/coffee bar and quick sandwich/soup/salad shop. The Subleased Premises shall not be used for any other purpose without prior written consent of Landlord. This Sublease is not intended as a grant of an exclusive right for Subtenant to operate a business in the Building or on the real property on which the Building is situated, and Landlord may sublease to any party any other space in the Building for such purpose or any other purpose, provided, however, it does not unreasonably interfere with Subtenant's business operations.

(b) Subtenant shall be obligated to use the Subleased Premises in strict compliance with all applicable requirements of the insurance policies of both Subtenant and of Landlord, and Subtenant shall be responsible for all costs and expenses of such compliance. Subtenant shall not carry on any activities or operations which will result in any increase of premiums of Landlord's fire, casualty or liability insurance.

(c) Subtenant shall not conduct any activity on the Subleased Premises which the Landlord, in its sole discretion, deems to be a use which would detract from the dignity of or would interfere with the functions of the Municipality of Anchorage. Subtenant shall assure that all persons entering and/or occupying the Subleased Premises shall abide by, keep and observe all reasonable Rules and Regulations which the Landlord may make from time to time for the management, safety, care, cleanliness, preservation of good order, and convenience of other tenants and occupants of the Subleased Premises, Building and/or the sidewalks, parking area and real property parcels on which the Building is situated.

(d) Subtenant shall not, without the prior written consent of the Landlord, which shall not be unreasonably withheld, use, operate or install any electronic,

electrical or mechanical equipment, machinery, or mechanical devices in the Subleased Premises except in compliance with the highest standards applicable to the use, operation, or installation of such equipment, machinery, or devices, generally recognized by the electronic, electrical, or mechanical industries in which Subtenant is engaged, nor shall Subtenant use the Subleased Premises or any electronic, electrical, mechanical or other equipment therein in such a manner as to cause harmful, disagreeable, offensive or noxious electromechanical energy, electronic or other, noise, vibration, noxious odors or other disturbances to other tenants or persons in the Building.

11. General Safety Procedures. The following General Safety Procedures apply to all municipal locations and shall be adhered to by municipal entities and subtenants.

(a) OSHA General Duty Clause. Hazardous conditions or practices not covered in an OSHA standard may be covered under Section 5(a)(1) of the Occupational Safety and Health Act (OSHA) of 1970 which states: "Each employer shall furnish to each of his employees employment and place of employment which are free from recognized hazards that are causing or are likely to cause death or serious physical harm to his employees."

(b) General Inspections and Training. Subtenant should initiate and maintain an inspection program to provide for frequent and regular self-inspections of the site, materials, and equipment. Subtenant should instruct each employee in the recognition and avoidance of unsafe conditions and in the regulations applicable to his or her work environment and to control or eliminate any hazards or other exposure to illnesses or injury. The use of any machinery, tool, material, or equipment which is not in compliance with and applicable requirements of OSHA or industry standards is prohibited.

(c) Electrical. All electrical work performed shall be in compliance with the most recent National Electrical Code (NEC). Only qualified persons are permitted to work on or near energized conductors or parts and then only under special procedures that ensure employee protection. Extension cords used with portable electric tools shall be 3-wire type, and shall be protected from damage. Splices shall have soldered wire connections with insulation equal to the original. Worn or frayed cords shall not be permitted. Each electronic device that requires surge protection shall be plugged into an approved protector plugged directly into a wall socket. Electronic devices that do not require surge protection (toasters, coffee makers, refrigerators, portable heaters) shall be plugged directly into a wall socket. No daisy chaining or use of temporary power cords for non-temporary use shall be used to power electrical devices on or off-site. No employer shall permit an employee to work in proximity to any part of an electric power circuit that he may contact.

(d) Emergency Evacuation and Fire Protection. All occupants of municipal properties including employees and subtenants shall comply with all emergency

evacuation procedures including periodic evacuation drills. The Landlord will make every effort to provide 24 hours notice to site users when drills or maintenance and repair to emergency systems are scheduled. Failure to provide 24 hours notice does not negate the requirement to comply with emergency operations procedures including evacuation drills. Extinguishers access shall be maintained. Extinguishers shall not be permitted to be stored by placing on ground level or outside of an NFPA approved storage cabinet or hanger. Each employee must know the alarm system at the worksite, so they, and the fire department, can be alerted during an emergency.

(e) Storage. All materials stored in tiers shall be secured to prevent sliding, falling or collapse. Aisles and passageways shall be kept clear and in good repair. Storage of materials shall not obstruct exits. Materials shall not be stored with due regard to their fire characteristics.

12. Parking. The parking lot south of the Building is reserved for business at City Hall, not the espresso/coffee bar, and food vendor and is strictly enforced by the on-site security guard. Neither Subtenant nor Subtenant's employees, agents, customers or business invitees shall have the right to use the Building's reserved parking lot for the for parking of motor vehicles associated with the espresso/coffee bar and food vendor business, and such is specifically prohibited. Subtenant's vendors and delivery persons may use the parking area for servicing Subtenant's business prior to 9 a.m., so long as each such use does not exceed 15 minutes, unless extraordinary circumstances create the need for additional time.

13. Ingress and Egress of Persons. Subtenant and Subtenant's employees, agents, customers, vendors, delivery persons and invitees shall have the right to use all means of common ingress and egress for persons to the Subleased Premises, excluding any rights for parking motor vehicles in the parking lot for the Building.

14. Liens and Encumbrances. Subtenant shall keep the Subleased Premises free and clear of all liens and encumbrances, including mechanic's and materialman's liens arising from the improvement, additions to, or alteration of the Subleased Premises, other involuntary liens, and voluntary security interests such as security agreements, assignments of the sublease interests or liens for any purpose. In the event Subtenant places, allows such to be placed or attempts to place such upon his interest, such shall be a breach of this Sublease by Subtenant. Landlord and Lessor may, at any reasonable time, post upon the property such notices of non-responsibility for labor or materials supplied to the property as it may deem fit.

15. Insurance.

a. The Subtenant shall obtain and at all times keep in force during the term of this Sublease the following insurance coverage:

(1). Liability Insurance for bodily injury and property damage resulting from the Subtenant's operation of the Subleased Premises, including

premises operations, products and completed operations, errors and omissions, contractual liability (including coverage for the Subtenant's obligation to indemnify the Landlord and Lessor as required under this Agreement) and personal injury liability in the amount of not less than \$1,000,000.00 combined single limit for each occurrence and not less than \$2,000,000.00 in the aggregate. Such limits shall be subject to reasonable increase from time to time (but not more often than every 12 months) in accordance with the limits then customarily carried by responsible parties for similar activities and operations in the Anchorage area.

(2) Employer's Liability in the amount of \$100,000. and Worker's Compensation Insurance as required by the laws of the State of Alaska, for the benefit of the employees engaged by it in the operation of the Subleased Premises.

(3) Such other insurance in such amounts as from time to time reasonably required by the Landlord against such other hazards or risks as at that time are commonly insured against in activities or operations similar to those being carried on by the Subtenant.

b. As to each policy of insurance required to be maintained by the Subtenant pursuant to paragraph "a" above the following shall apply:

(1) Each policy shall name the Landlord and Lessor as additional insureds.

(2) Each policy shall contain (a) a provision that the policy may not be amended, terminated or denied renewal without at least 30 days prior written notice from the insurance company to the Subtenant Landlord and Lessor, (b) a provision that no act or omission of the Subtenant or the Landlord and Lessor will affect or limit the obligation of the insurance company to pay the amount of any loss sustained, (c) an agreement that if cancellation due to nonpayment of premiums, the insurer will so specify in the notice given pursuant to (a) of this subparagraph and will agree to reinstate the policy upon payment of the premiums by the Subtenant or Landlord or Lessor within the 30 day notice period, and (d) a waiver of subrogation.

(3) No policy shall contain a provision that prohibits the Subtenant from waiving subrogation.

(4) Each policy shall contain a provision that losses under the policy shall be payable to the parties insured as their interests may appear.

(5) Each policy shall be written by an insurance company licensed to do business in the State of Alaska or permitted to do business under the surplus lines limit law of the State of Alaska.

- c. As to each policy, the Subtenant shall promptly obtain and provide to both the Landlord and Lessor a current Certificate of Insurance evidencing that the required insurance is in place and shall, in the event there is any change in the insurer, coverage or policies, provide a current replacement Certificate of Insurance.
- a. The Subtenant shall require its subcontractors or other third parties doing work or carrying on activities on the Property or at the Subleased Premises to carry public liability insurance and workers compensation insurance with terms and in limits of not less than the amounts specified for the Subtenant under these insurance paragraphs.
- b. The Subtenant shall not violate or permit to be violated any of the conditions, provisions or requirements of any insurance policy required of the Subtenant, and the Subtenant shall use diligent efforts to perform, satisfy and comply with or cause to be performed, satisfied and complied with the conditions, provisions and requirements of the insurance policies and the companies writing such policies so that, at all times, companies reasonably acceptable to the Landlord provide the insurance required of the Subtenant.
- c. The Subtenant hereby waives all right of subrogation and right of recovery against the Landlord for any loss from perils or losses insured against under any policies of insurance obtained by the Subtenant or required to be obtained under the requirements specified in subparagraph "a" above.
- d. The Landlord's risk coverage does not afford coverage for damage to property owned by the Subtenant or third parties located at the Subleased Premises. The Subtenant may obtain a property policy on Subtenant's equipment and property at the Subleased Premises in such amounts as it deems appropriate at its own expense, and as to such insurance, or to the extent that it elects not to obtain such, waives any claim against Landlord and waives any rights of subrogation and right of recovery against the Landlord for any such perils or losses, provided such perils or losses are not the result of Landlord's negligence or willful misconduct.
- e. Subtenant shall assure that its activities, operations and insurance policies do not violate the insurance policies of the Landlord or of the Lessor described in Section 15 and shall be responsible for any increased premium costs for such policies resulting from its activities and operations.

16. Indemnity. The Subtenant shall indemnify, hold harmless and defend the Landlord and Lessor against any and all claims, actions, suits, obligations, liabilities, damages, charges, penalties, costs and expenses (including attorney's fee), claimed, asserted or



brought against, adjudged against or recovered from either Landlord or Lessor by any person or entity, arising from or resulting from any negligence, intentional or willful act of the Subtenant, its employees, contractors, subcontractors, licensees, agents, servants, customers, business invitees, , in, upon, or about the Subleased Premises, the Building or the Property, for any alleged injury to or death of any person, or for any alleged loss or damage to any person, entity or property; provided, however, that the liability and indemnification obligations to either Landlord or Lessor shall not apply to the extent and in proportion that any such liability, loss, damage or expense is determined by a final judgment to have been proximately caused by, respectively, the Landlord's or the Lessor's negligence or willful misconduct, in accordance with comparative negligence principles applicable under Alaska law.

The Subtenant shall indemnify, hold harmless and defend the Landlord and Lessor for any and all claims, suits, actions, obligations, liabilities, damages, charges, penalties, costs and expenses (including attorney's fees) asserted or brought by any person or entity, including and employee of the Subtenant, with respect to any obligation under safe place statutes, or under laws, rules, acts or regulations pertaining to the safety of the premises, including the Federal occupational Safety & Health Act ("OSHA"), Americans the Disabilities Act ("ADA") and any other applicable law. Provided, however, that the liability and indemnification obligations to either Landlord or Lessor shall not apply to the extent and in proportion that any such liability, loss, damage or expense is determined by a final judgment to have been proximately caused by, respectively, the Landlord's or the Lessor's negligence, willful misconduct or breach of their contractual obligations, in accordance with comparative negligence principles applicable under Alaska law

Landlord and Lessor shall not be liable to the Subtenant or to any other person or entity (including, but not limited to, Subtenant's employees, contractors, subcontractors, licensees, agents, servants, customers, business invitees, visitors, or similar parties) for any injury to or death of any person or for loss or damage to property, including the property of the Subtenant, occurring in, on or about the Subleased Premises from any cause whatsoever and the Subtenant shall indemnify, hold harmless and defend the Landlord and Lessor from and against any and all claims, suits, actions, obligations, liabilities, damages, charges, penalties, costs and expenses (including attorney's fees) asserted or brought related to the Subleased Premises, its condition, and any activities on the Subleased Premises; provided, however, that the liability and indemnification obligations to either Landlord or Lessor shall not apply to the extent and in proportion that any such liability, loss, damage or expense is determined by a final judgment to have been proximately caused by, respectively, the Landlord's or the Lessor's negligence or willful misconduct, in accordance with comparative negligence principles applicable under Alaska law.

17. Hazardous Materials.

a. Subtenant agrees that no Hazardous Material will be generated, stored, deposited, disposed of, or released by Subtenant in, on or under the Subleased Premises, Building or real property parcels on which they or situated (except for cleaning products in such amounts and in such concentrations as Subtenant may reasonably use in

connection with its business), and that Subtenant shall comply, at Subtenant's expense with all laws and regulations pertaining to Hazardous Materials. Subtenant shall provide Landlord and Lessor with written notice prior to bringing any Hazardous Materials on the Subleased Premises. Subtenant further represents and warrants that, to its knowledge, Subtenant's improvements and equipment on the Premises shall not incorporate lead, asbestos or PCBs.

- b. Subtenant agrees to indemnify Landlord and Lessor against and hold Landlord and Lessor harmless from any loss, damage, claims, liability, cost or expense, including reasonable attorneys' fees and consultants' fees, arising out of any Hazardous Materials brought onto the Subleased Premises, Building or real property parcels on which they are situated by Subtenant, its contractors, subcontractors, licensee, agents, servants, customers, visitors, employees or anyone else with Subtenant's knowledge or permission, including without limitation (1) any claims of third parties for personal injury, property damage, or other harm, and (2) any response costs and costs of remedial, restoration or cleanup actions suffered or incurred by Landlord or Lessor arising out of or related to such Hazardous Materials. The terms and covenants of the paragraph shall survive the termination or expiration of this Sublease.
- c. The term "Hazardous Materials" means hazardous or toxic substance, materials or wastes, including but not limited to any substance, material or waste which is (1) petroleum; (2) asbestos; (3) polychlorinated biphenyls (PCBs); (4) designated as "Dangerous Waste" or "Extremely Hazardous Waste" by the State of Alaska in any statute or regulation; (5) designated as "Hazardous Materials Substance" pursuant to the Comprehensive, Environmental Response, Compensation and Liability Act, 42 U.S.C. Sec. 9601, et seq.; (6) designated as a "Hazardous Waste" pursuant to the Resource Conservation and Recovery Act, 42 U.S.C. Sec 6901, et seq.; (7) designated as "Hazardous Substance" under the Clean Water Act, 33 U.S.C. Sec 1321, or listed pursuant to 33 U.S.C. Sec 1317; (8) listed by the U.S. Department of Transportation at 49 C.F.R. 172.101 or by the U.S. Environmental Protection Agency under 40 C.F.R. Part 302; and (9) any other substance, waste or material which is regulated as hazardous or dangerous by any federal, state or local agency.

18. Fire and Other Casualty. In the event the Subleased Premises are damaged by fire, earthquake or other casualty only to such an extent that the Subleased Premises can reasonably be reconstructed or repaired within 30 days, Landlord shall repair the damage with reasonable diligence, and if the damage has rendered the Subleased Premises untenable, in whole or in part, there shall be apportionment of the rent until the damage has been repaired.

In the event the Subleased Premises are substantially destroyed or damaged by fire, earthquake or other casualty to such an extent that the Subleased Premises cannot reasonably be reconstructed or repaired within 30 days, then either party shall have the right to terminate this Sublease by sending notice of its intention to terminate to the other

party. If the notice of election to terminate is not sent within 15 days from the date of loss, then Landlord shall commence and prosecute with reasonable diligence any work necessary to restore or repair the property to its pre-casualty condition. During the period the property is damaged or being repaired, the monthly rent shall be abated in the proportion which the untenable portion of the Subleased Premises bears to the whole. If any amount of damage prevents Subtenant from operating its business, the whole premises shall be considered untenable.

19. Bar Against Assignment and Sublease. Subtenant shall not assign, sublet or transfer all or any part of the Subleased Premises without the prior written consent of Landlord. Such written consent shall not be arbitrarily or unreasonably withheld. Consent by Landlord to such assignment, subletting, or transfer shall not release the Subtenant from liability for the obligations of this Sublease and Subtenant shall continue jointly liable with the assignee, sub-subtenant or transferee. If the Subleased Premises are occupied by anyone other than Subtenant prior to consent by Landlord, Landlord may (but is not required to) collect rent from the occupant and apply the rent amount collected to the rent herein reserved but such action by Landlord shall be neither a waiver of the requirement or prior approval or assignment, subletting or transfer nor a release of Subtenant from any further performance under the terms of this Sublease. Consent once given by Landlord to an assignment, transfer or sublease under this Sublease, or any interest therein, shall not release the new sub-subtenant from being required to obtain consent in accordance with this paragraph as to any subsequent assignment, subletting or transfer.

20. Holding Over. In the event that Subtenant remains in possession of the property after the expiration of the term of this Sublease (including after the termination of an option extension period), with the consent of Landlord and without a subsequent written sublease, Subtenant shall be deemed to be occupying the property as a month-to month subtenant, subject to all the conditions, provisions, terms and obligations of this Sublease insofar as they may be applicable to a month-to-month subtenant. Such tenancy may be terminated as provided for by the laws of the State of Alaska.

21. Access and Inspection. Landlord and its representatives may enter the Subleased Premises at all reasonable times during usual business hours for the purpose of inspecting, making improvements or repairs, or performing other work on Subleased Premises. Except in the event of emergencies or repairs and maintenance made at the request of Subtenant, Landlord shall give Subtenant reasonable prior written notice before making any repair or alteration of the Subleased Premises.

22. Default.

a. Default by Subtenant. The occurrence of any one or more of the following events shall constitute a default and breach of this Sublease by Subtenant:

- (1) Failure by Subtenant to make any payment of rent, adjustments, charges, or any other payment required to be made by Subtenant hereunder, as and when due, with such failure continuing for a period of 10 days after notice of failure to receive rent on the due date.

(2) Failure by Subtenant to insure (as specified in Section 15 above) for any period, without notice from Landlord required of such default (since Subtenant is required to obtain a notice provision from its insurer pursuant to Section 15.c).

(3) Failure by Subtenant to perform under any of the covenants, conditions, or provisions of this Sublease to be performed by Subtenant (other than with regard to rent as described in paragraph 22.a.(2).above), with such failure continuing for a period of 15 days after written notice of such by Landlord to Subtenant. Provided, however, that if the nature of Subtenant's default is such that more than 15 days are reasonably required for its cure, then Subtenant shall not be deemed to be in default if Subtenant commences such cure within the 15 day period and thereafter diligently prosecutes such cure to completion.

(4) Abandoning of the Premises by Subtenant for more than 10 days.

(5) Making by Subtenant of any general assignment or general arrangement for the benefit of creditors; or by the filing by or against Subtenant of a petition to have Subtenant adjudged a bankrupt, or a petition or reorganization or arrangement under any law relating to bankruptcy (unless, in the case of an involuntary petition filed against Subtenant, such is dismissed within 30 days of filing); or the appointment of a trustee or a receiver to take possession of substantially all of Subtenant's assets located at the Premises or of Subtenant's interest in this Sublease, where such seizure is not discharge in 30 days after appointment of the trustee or receiver, or the filing of the petition for the appointment of the same, whichever shall first occur.

b. Remedies for Default by Subtenant. In the event of any such default or breach by Subtenant, Landlord may at any time after any notice required under subparagraph 21.a. above, and without limiting Landlord in the exercise of a right or remedy which Landlord may have by reason of such default or breach:

(1) Termination. In the event that Landlord elects to terminate the Sublease, Subtenant shall be liable for the payments and rents unpaid prior to the termination. In reletting the Subleased Premises, Landlord may, in its sole and absolute discretion (but subject to Landlord's general duty to mitigate damages), relet all or any portion of the Subleased Premises, after making such alterations and divisions of the Subleased Premises as it considers desirable or appropriate, for a period equal to or different from the remainder of the term of this Sublease, for as many times, and for such rent as Landlord deems appropriate. All unpaid amounts owed Landlord by Subtenant shall bear interest at the highest legal rate until paid in full.

(2) Re-entry and Reletting. In the event that Landlord elects to re-enter the Subleased Premises without terminating this Sublease and relet it on behalf of Subtenant, it may do so on such terms and conditions, for as many times, for such rent, and for such periods as it chooses in its sole and absolute discretion, but subject to Landlord's general duty to mitigate damages. Subtenant shall remain liable for the full amount of the reserved rent, as it falls due and owing and for all other obligations of the Sublease. In the event that Landlord is successful in reletting the Subleased Premises, Subtenant shall remain liable for the full amount of the reserved rent under the terms of this Sublease, together with all expenses

and damages, both direct and consequential, incurred by Landlord as a result of the default and reletting. All rental payments received by Landlord from the new sub-tenant as a result of the reletting shall be offset against the rent, expenses and damages owed Landlord by Subtenant. Suit may be brought by Landlord from time to time to collect amounts due Landlord as such amounts accumulate, or after the end of the term specified herein, as Landlord chooses in its sole and absolute discretion. Nothing herein shall prevent Landlord from reletting the Subleased Premises for a term in excess of the term specified herein; and Landlord shall not be required to pay Subtenant any amount by which the rentals from such reletting may exceed the amount Subtenant is required to pay Landlord under the terms of this Sublease. Subtenant hereby appoints Landlord as its agent to re-enter upon the Subleased Premises and to relet them on its behalf in the event of a default.

(3) Damages, Costs and Attorney's Fees. Landlord shall be entitled to full compensatory damages and reimbursement of costs and actual reasonable attorney's fees.

(4) All Other Remedies. Landlord shall have all other remedies available in law or equity.

c. Default by Landlord. In the event Landlord defaults in the performance of any of its obligations under this Sublease or Subtenant contends that the Landlord has done so, Subtenant may provide a written notice of the asserted default specifying in detail the asserted default and the remedy requested by the Subtenant. Landlord shall have 30 days after receipt of the written notice to make appropriate cure of a default. If a default cannot, with ordinary, diligent and reasonable efforts, be cured within the 30 day period, Landlord shall have such additional time to cure the default reasonably required under the circumstances, provided that Landlord commences the cure within the 30 day period. In the event that Landlord wrongfully refuses or fails to cure a default, Subtenant shall be entitled to such damages, specific performance, and reasonable attorneys fees as are awarded by a court.

23. Non-waiver of Default. No act or omission by Landlord or Subtenant at any time after the happening of any event which would entitle that party to enforce a right under this Sublease shall operate as a waiver of any past or future violation, breach, default, or failure to keep or perform any covenant, agreement, term or condition hereof or shall deprive that party of its right to terminate or forfeit this Sublease or be construed to at any future time estop that party from promptly exercising any option, right or remedy that it may have under any term or provision of the Sublease.

24. Covenant of Quiet Enjoyment. Landlord covenants that Subtenant shall peaceably hold and quietly enjoy the Subleased Premises without interruption by Landlord, any mortgagee or beneficiary under a deed of trust, or any other person, firm, or entity claiming under them (subject to the provisions of Section 15).

25. Injunctive Relief. In addition to other remedies provided for in this Sublease, Landlord shall be entitled to restraint by injunction for any violation, or attempted or threatened violation, of any condition or provision of this Sublease, and to a decree specifically compelling specific performance of any such condition or provision.

26. Signs. Subtenant shall not post, place or in any manner display any sign, notice, picture, placard or poster, or any advertising matter whatsoever, anywhere in or about the Subleased Premises or the Building at places visible from anywhere outside the Subleased Premises without first obtaining Landlord's written consent, which consent shall not be unreasonably withheld. All such signs or symbols shall comply with Municipal sign ordinances, codes, rules and regulations and shall be placed with the Sublease and repair any damage or injury to the Subleased Premises caused by installation or removal of the signs.

27. Changes to Building.

(a) Landlord may at its option make repairs, alterations, addition or improvements that Landlord may deem necessary or advisable for the preservation, safety or improvement of the Building, so long as Subtenant has reasonable access to the Subleased Premises. Landlord shall have the right from time to time to renovate, repair, replace, and/or change the arrangement or location of any of the following: sidewalks, terraces, passageways, doors and doorways, corridors, stairs, toilets and other common areas of the Building, mechanical, cooling, heating, ventilation, security, electrical, lighting, plumbing, other systems servicing the Building, and other similar common service portions of the Building. Landlord shall incur no liability to Subtenant, nor shall Subtenant be entitled to any abatement of rent on account of any noise, vibration, or other disturbance to Subtenant's business in the Subleased Premises (provided that Subtenant is not denied access to the Subleased Premises), that shall arise out of the performance by Landlord of any such improvements or renovations at or to the Building. Landlord shall use diligent efforts (which may, but not necessarily, include any obligation to employ labor at overtime rates) to avoid disruption of Subtenant's business during any such renovations. Landlord may change the name of or use the Building at any time. Provided, however, that if such a change in name or use gives rise to unreasonable interference with Subtenant's business operations, Subtenant may terminate this Sublease upon 30 days written notice to landlord, during which period, landlord may restore the building to its previous state and void Subtenant's notice of termination.

(b) In the event any federal, state or local law, regulation or ordinance shall require changes to the common areas, Landlord reserves the right, at any time and from time to time, to make changes in, additions to, subtractions from, or rearrangements of the common areas. Landlord and all persons authorized by it shall have the right, from time to time, to enter the Subleased Premises for the purpose of access thereto to install, maintain and repair such changes.

28. Applicable Law. It is agreed that this Sublease shall be governed by, construed, and enforced in accordance with the laws of the State of Alaska.

29. Option to Extend Sublease. On condition that Subtenant is not and has not been in default under this Sublease, Subtenant shall have an option to extend this Sublease, if mutually agreed between Subletter and Landlord, for an additional term of two (2) one-year periods. All terms and conditions during the Sublease extension period shall be the same as set forth in this Sublease agreement, except that rent for each respective year shall be agreed upon by the parties equal to fair market rent.

The option to extend shall be exercised by Subtenant by providing notice to Landlord of its intention to extend not later than 90 days prior to the expiration of the initial Sublease term.

30. Sublease Subject to City Hall Lease. Notwithstanding anything to the contrary contained in this Sublease, it is agreed that this Sublease is subject to and subordinate to the **Amended, Restated and Consolidated Lease of City Hall, Anchorage Alaska** dated November 29, 2001 between Anchorage Public Private Partnership, LLC as Lessor and the Municipality of Anchorage as Lessee (the "Lease") to Lessor's rights therein, to any renewal, amendment or modification thereof, to the rights of any mortgagee, deed of trust beneficiary, secured party under any security agreement, or other security interest to which the Lease is subject or subordinate (collectively referred to as "Loan Document"), and to all renewals, modifications, consolidations, and extensions thereof. The Lease will be made available for review upon request.

Landlord and Subtenant each acknowledge that the Lessor's rights under the Lease include, but are not limited to, the right to consent in writing in advance to any proposed alteration, addition, or improvement, as set forth in Article XII of the Lease, the right of entry as provided by Article XV of the Lease, and the right to consent to any proposed assignment or sublease, as provided by Article XVI of the Lease.

Nothing contained in this Sublease shall make Landlord under this Sublease responsible to perform any obligations of the Lessor under the Lease. Landlord shall not be liable to Subtenant or any default, failure or delay by Lessor in the performance of any of its obligations under the Lease, nor shall such default of Lessor affect this Sublease or waive or defer the performance by Subtenant of its obligations under this Sublease. Whenever in this Sublease Subtenant would be benefited by Lessor performing its obligations but Lessor has not timely done so, Landlord agrees, upon notice from Subtenant, to make demand upon the Lessor to perform its obligations under the Lease. Further, Landlord agrees not to waive any obligations of Lessor which benefit Subtenant, nor to amend the Lease in any way which affects or could affect Subtenant adversely.

31. Notices. All notices required under the terms of this Sublease or by law shall be in writing, and shall be delivered by hand (with written receipt) or overnight courier service, mailed by certified or registered mail or sent by telecopy or other electronic means of communication with return acknowledgement, as follows:

If to the Landlord, address to:

Real Estate Services  
4700 Elmore Road  
P.O. Box 199650  
Anchorage, Alaska 99519-6650  
wwwres@muni.org  
907-343-7525

If to the Subtenant, address to:

Name:  
Address:  
City, State:  
Email:  
Phone:

32. Severability. If any provision of this Sublease is declared invalid or unenforceable, the remainder of the Sublease shall continue in full force and effect.

33. Parties Bound. The covenants, terms, and conditions contained herein shall be binding upon the heirs, devisees, administrators, executors, assigns, and successors in interest of each respective party.

34. Modification. No modification of this sublease shall be effective unless in writing and signed by the parties hereto or their duly authorized representatives.

35. Entire Agreement. This written Sublease, together with any attachments and other documents such as but not limited to the Request for Proposal and the Proposal submitted by the Subtenant, constitutes the entire agreement between the parties and supersedes all other prior or contemporaneous agreements between the parties, oral or written, not included herein.



LANDLORD:

SUBTENANT:

Municipality of Anchorage

Business Name

By: \_\_\_\_\_

By: \_\_\_\_\_

Its: \_\_\_\_\_

Its: \_\_\_\_\_

CONSENT TO SUBLEASE

Anchorage Public Private Partnership, LLC (APPP, LLC), as Lessor under the **Amended, Restated and Consolidated Lease of City Hall, Anchorage, Alaska** dated November 29, 2001 and the Municipality of Anchorage as Lessee (the "Lease") , pursuant to Article XVI of that Lease and paragraph 29 of the above Sublease, hereby gives written consent to that sublease and granting of the renewal option to \_\_\_\_\_ of the premises described in the Sublease, for the uses to be made under the Sublease (which uses are agreed to as being "compatible office uses" or are consented to as an exception to such), and with the terms and conditions under the Sublease.

Anchorage Public Private Partnership, LLC

By: \_\_\_\_\_

Its: \_\_\_\_\_

