

IN THE SUPERIOR COURT FOR THE STATE OF ALASKA
THIRD JUDICIAL DISTRICT, AT ANCHORAGE

ALASKA BUILDING, INC., an Alaska
corporation,

Plaintiff

vs.

716 WEST FOURTH AVENUE LLC,
KOONCE PFEFFER BETTIS, INC., d/b/a
KPB ARCHITECTS, PFEFFER
DEVELOPMENT, LLC, LEGISLATIVE
AFFAIRS AGENCY, and CRITERION
GENERAL, INC.,

Defendants.

Case No. 3AN-15-05969CI

**AFFIDAVIT IN SUPPORT OF
PLAINTIFF'S MOTION FOR PARTIAL SUMMARY JUDGMENT
(NOT EXTENSION)**

THIRD JUDICIAL DISTRICT)
)ss
STATE OF ALASKA)

JAMES B. GOTTSTEIN, being first sworn under oath hereby deposes and states as follows:

1. Attached hereto as Exhibit 1 is a true and correct copy of that certain document, titled Extension of Lease and Lease Amendment No. 3, dated September 19, 2013, pertaining to the leasing of the new Anchorage Legislative Information Office I received from the Alaska Housing Finance Corporation pursuant to a Freedom of Information Act request (New LIO Lease).

LAW OFFICES OF
JAMES B. GOTTSTEIN
406 G STREET, SUITE 206
ANCHORAGE, ALASKA
99501

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(907) 274-7686
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(907) 274-9493

2. The New LIO Lease provides for:

- a. demolition of the then existing Anchorage Legislative Information Office located at 716 West 4th Avenue in Anchorage, Alaska down to its foundation and steel frame,
- b. demolition of the adjacent old Empress Theatre, located at 712 West 4th Avenue, occupied by the Anchor Pub at that time,
- c. moving the existing Anchorage Legislative Information Office prior to the demolition of the old Legislative Information Office Building, and
- d. construction of a new office building for lease as the new Anchorage Legislative Information Office.

3. The following picture I took accurately depicts the new Anchorage Legislative Information Office while under construction on April 20, 2014:



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Affidavit in Support of Motion for
Partial Summary Judgment (Not Extension)


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4. The Anchorage Legislative Information Office moved out of the then existing Anchorage Legislative Information office sometime around December 1, 2013.

5. The Anchorage Legislative Information Office moved into the new Anchorage Legislative Information Office around January 2, 2015.


FURTHER YOUR AFFIANT SAYETH NAUGHT.

DATED this 12th day of June, 2015.


James B. Gottstein

SUBSCRIBED AND SWORN TO before me this 12 day of June 2015.




Notary Public in and for Alaska
My Commission Expires: 8/1/17

EXTENSION OF LEASE AND LEASE AMENDMENT NO. 3

Extension of Lease Under AS 36.30.083; Amendment of Lease; Material Modification of Lease

THIS EXTENSION OF LEASE AND THIRD AMENDMENT OF LEASE is made and entered into on the date the Legislative Affairs Executive Director or her designee signs the Lease, is by and between 716 WEST FOURTH AVENUE, LLC, an Alaska limited liability company, whose address is P.O. Box 241826, Anchorage, Alaska 99524, hereinafter referred to as "Lessor," and the LEGISLATIVE AFFAIRS AGENCY, whose address is State Capitol, Room 3, Juneau, Alaska 99801-1182, hereinafter referred to as "Lessee," and hereby amends the Lease dated April 6, 2004, recorded in Book 2004-024411-0, Anchorage Recording District, Third Judicial District, State of Alaska, as previously amended, and renewed through May 31, 2014 by Renewal of Lease No. 5, recorded May 23, 2013 in Book 2013-028824-0, Anchorage Recording District, Third Judicial District, State of Alaska, hereafter referred to as the "Lease".

WITNESSETH:

WHEREAS, the Lessor is currently leasing to the Lessee the following described Premises, hereinafter "Existing Premises," described as follows:

Approximately 22,834 square feet of office space, which consists of all net usable office space on the second through sixth floors and approximately 811 square feet of storage space in the basement, at the building located at 716 West 4th Avenue in Anchorage, Alaska at Lot 3A, Block 40, of the Original Townsite of Anchorage, according to the official plat thereof, Third Judicial District, State of Alaska, and eighty-six (86) reserved off-street parking places.

WHEREAS, on June 7, 2013, the Legislative Council (Lessee) authorized its chairman to negotiate all the terms and conditions necessary to extend Lease 2004-024411-0 pursuant to AS 36.30.083(a), and, to seek the assistance of Alaska Housing Finance Corporation (AHFC) if needed, and to negotiate material amendments to the Lease;

WHEREAS, the existing Premises are not adequate to meet the needs of the Lessee, and the Lessee requires up to approximately 64,000 gross square feet of office space and appropriate off-street parking spaces in order to adequately house the offices of the legislature and legislative staff and to properly accommodate the public;

WHEREAS, a property directly adjacent to the existing Premises, located at 712 West 4th Avenue, when added to the existing Premises, will be adequate to meet the needs of the Lessee and, subject to successful negotiation with the property owner, the property may be made available to Lessee;

WHEREAS, subject to the provisions of AS 36.30.083 and other applicable authority, the Lessee wishes to incorporate the existing Premises along with the property located at 712 West 4th Avenue into this Extension of Lease and Lease Amendment, and further, to reference the combined real property parcels as the "Premises" for the purposes of this Extension of Lease and Lease Amendment;

WHEREAS, the Premises must be renovated in order to meet the needs of the Lessee and, subject to successful negotiation between the parties, a renovation plan and renovation schedule will be documented as Exhibit "A" and Exhibit "B" of this Extension of Lease and Lease Agreement;

WHEREAS, Alaska Legislative Procurement Procedures designate the chairman of the Legislative Council as procurement officer with respect to contracts of the Legislative Affairs Agency, and the chairman has made a written determination under Procurement Procedures Section 040(d) (Exhibit C) that the Lease may be materially modified without procurement of a new Lease to include the property known as 712 West Fourth Avenue;

WHEREAS, the current lease term expires May 31, 2014 and it is the intention of the Lessor and Lessee to extend the Lease for 10 years under AS 36.30.083(a) effective June 1, 2014 through May 31, 2024;

WHEREAS, modifications and amendments to the Lease made under Legislative Procurement Procedure Section 040(d) are required prior to the extension of the lease term to proceed with renovations of the premises and therefore amendments to the Lease, with the exception of the lease term, are effective on the date the Legislative Affairs Director signs the Lease;

NOW, THEREFORE LESSOR AND LESSEE AGREE that the Lease is hereby extended for 10 years until May 31, 2024 pursuant to AS 36.30.083; and the Lease is hereby amended pursuant to Legislative Procurement Procedure Section 040(d) as follows:

Sec. 1 of the Lease is amended to read as follows:

1.1 DESCRIPTION OF PREMISES; LEASE TERM; MONTHLY LEASE RATES:

- a. The Lessor hereby leases to the Lessee and the Lessee hereby leases from the Lessor the Premises described below:

All space within the office building, all space within the parking garage, and all real property located at 716 West 4th Avenue in Anchorage, Alaska further described as Lot 3A, Block 40, of the Original Townsite of Anchorage, according to the official plat thereof, Third Judicial District, State of Alaska; and all space located within the building and all real property located at 712 West 4th Avenue in Anchorage, Alaska further described as Lot 2 W 39.5' Block 40 Original Townsite of Anchorage.

On the Effective Date as defined in Section 1(b) below, the Lease shall be for the Existing Premises. On the schedule as set forth in Exhibit "B-1" the Premises will be renovated and expanded as described in Exhibit "A" ("LIO Approval Plans") (hereinafter the "Renovations"). Following completion of the Renovations, the Premises will include approximately 64,048 gross square feet of building space and approximately 86 off-street parking spaces with the spaces striped as directed by Lessee.

- b. The term of the Lease is extended for ten (10) years from the termination of the original term on May 31, 2014 until May 31, 2024. The covenants and requirements set forth in this Extension of Lease and Lease Amendment are effective the date it is signed by both parties (the "Effective Date").
- c. Base Monthly Rental. This Lease will have three applicable rental rates.
 - 1. On the Effective Date the Base Monthly Rental shall be \$56,863.05 which is the lease rate under current lease for the Existing Premises.
 - 2. The Lessor will provide the Lessee with interim office space and parking (Interim Space) as defined in Exhibit "B-1" during Lessor's work on the Renovations ("Renovation Period"). Lessee shall move to interim office space ("Interim Space") on the dates set forth in Exhibit "B-1" after 10 days written notice by Lessor.

During the Renovation Period and while the Lessee is occupying the Interim Space, the Base Monthly Rental will be reduced to the lesser of the amounts that follow:

- i. To an amount equivalent to the actual costs the Lessor incurs in providing the Lessee with the Interim Space during the Renovation Period, including all costs of moving the Lessee to and from different space throughout the Renovation Period; or
 - ii. The Base Monthly Rental rate paid on November 1, 2013 per the provisions of Renewal of Lease Number 5.
 - iii. Notwithstanding Option #1 and Option #2 above; the Lessee shall not pay rent in any amount for the portion of the Premises located at either 712 W. 4th Avenue or 716 W. 4th Avenue if the Lessee is not occupying space in the respective building and the Monthly Base Rent shall be adjusted accordingly.
 - 3. Upon final acceptance and occupancy of the renovated Premises, then the Base Monthly Rental will increase to \$281,638 per month.
- d. Base Monthly Rental Adjustments

Unless otherwise amended in writing signed by both parties, the Base Monthly Rental set forth in 1.1(c)(3) above shall remain the same through May 31, 2024.

- e. Monthly Lease Payments

The monthly lease payments are due and payable on the 1st day of each month. Payments will be made as agreed between the Lessee and Lessor. If the post Renovation Period occupancy date is a date other than the first day of the month, then the Base Monthly Rental shall be prorated and the increased rent paid with the payment of the first full month Base Monthly Rental payment due after the post Renovation occupancy.

1.2. **AS 36.30.083(a) COST SAVINGS:**

The Base Monthly Rental rate paid for the Premises to be paid upon final acceptance and occupancy of the renovated space has been determined to provide a minimum cost savings of at least 10 percent below the market rental value of the Premises. Supporting documentation is attached as Exhibit D (Executive Director's Cost Saving Calculation and Report to the Legislative Budget and Audit Committee per AS 36.30.083(b)).

Under AS 36.30.083(a), notwithstanding any other provision of AS 36.30.083, the Legislative Council may extend a real property lease that is entered into under AS 36.30 for up to 10 years if a minimum cost savings of at least 10 percent below the market rental value of the real property at the time of the extension would be achieved on the rent due under the lease. The market rental value must be established by a real estate broker's opinion of the rental value or by an appraisal of the rental value. Timothy Lowe, MAI, CRE, FRICS of the firm of Waronzo Associates, Inc. at 999 North Sepulveda Boulevard Suite 440 El Segundo, California has completed an independent analysis of the provisions of this lease extension and amendment and has concluded that the rent due under the terms and conditions of this lease extension and amendment is at least a 10 percent below the market rental value of the real property at the time of the extension for a ten year term.

Under AS 36.30.083(a), Legislative Council has approved the extension of this Lease as legally required. In addition to any other right of the Lessee under this Lease to terminate the Lease, if, in the judgment of the Legislative Affairs Agency Executive Director, sufficient funds are not appropriated in an amount adequate to pay the then annual lease payments and expenses, the Lease will be terminated by the Lessee as of the date appropriated funds are exhausted, or will be amended by mutual agreement of the Parties. To terminate under this section, the Lessee shall provide not less than 90 days advance written notice of the termination to the Lessor.

Sec. 2 of the Lease is amended to read as follows:

2. **ADA COMPLIANCE:** On the date of final acceptance and occupancy and throughout the entire occupancy of the Lease, the Lessor shall ensure that the Premises, and any improvements or alterations to the Premises, and all accessible routes shall meet the specifications of the ADA Accessibility Guidelines (ADAAG) for Public Buildings and Facilities per Title II of the Americans with Disabilities Act (ADA), as currently written and as they may be subsequently amended (hereafter referred to as ADA compliance).

Under the previous paragraph, the Premises, and any improvements or alterations to the Premises, and all accessible routes, must meet the ADA compliance requirements as they apply to a public entity.

The Lessee's acceptance of the Premises or of any improvements or alterations to the Premises, or any inspection of the Premises by the Lessee, do not relieve the Lessor of its responsibility for ADA compliance.

If these provisions on ADA compliance conflict with another provision in the Lease, the provisions of this section shall govern.

Prior to the date of final acceptance and occupancy, the Lessor, at its own expense, must furnish the Lessee with an ADA Facility Audit Report prepared by an architect registered to practice in the State of Alaska certifying that the Premises comply with all requirements of the current version of the ADA and this section.

Sec. 3 of the Lease is amended to read as follows:

3. **RENOVATION AND DELIVERY OF PREMISES:** The Lessor agrees to renovate the Premises consistent with the specifications as set forth in Exhibit "A", on the schedule as set forth in Exhibit "B", and in accordance with applicable law.

Exhibit "A" describes all terms and conditions of the renovations to be completed by the Lessor and incorporates the drawings, schematics, and deliverables for the same. Exhibit "B" sets forth the milestones for the renovation of the Premises as well as the final completion date. Exhibit B-1 sets forth the schedule for the interim occupancy during the renovation period.

The Lessee shall pay up to \$7,500,000 in direct reimbursement payments to Lessor toward the cost of that portion of the renovation work that represents the tenant improvements to the Premises. All invoices submitted to Lessee by Lessor must be accompanied by appropriate documentation and in addition, must be approved by the Procurement Officer prior to payment. Invoices, unless disapproved, shall be due within 30 days of submission. An invoice may be disapproved by the Procurement Officer for lack of appropriate documentation or any other legitimate reason. In the event that it is disapproved by the Procurement Officer, the Lessor may challenge the decision of the Procurement Officer under the Legislative Procurement Procedures. The balance of the tenant improvement costs at occupancy, if any, shall be added to the Lessor's renovation costs and amortized over the term of the Lease.

The Lessee is responsible for the acquisition of and installation of its own furniture, fixtures and equipment and shall schedule the same in a manner that does not conflict with the progress of the renovation work.

Sec. 4 of the Lease is amended to read as follows:

4. The Lease shall be what is described as a "modified triple net lease".

a. **LESSOR'S RESPONSIBILITY AND COSTS:**

1. The installation and maintenance of all structural components, core components, roof membrane/surface, and building systems that are incorporated into the Premises, including but not limited to: HVAC, elevators, plumbing, electrical, and fire suppression systems.
2. Providing connections to city water and sewer, electric service, and other public utility service to the Premises.

3. Parking lot repair, striping, work required to maintain conformance with ADA or other accessibility issues.
4. Any/all work required to maintain conformance with ADA or other accessibility issues.
5. Extraordinary maintenance – replacing worn carpeting, painting interior walls, replacing damaged casework, every 10 years, or sooner if reasonably required.
6. Exterior light fixture repair/replacement.
7. Interior light fixture repair/replacement.
8. Plumbing fixture repair/replacement.
9. Elevator inspection/repair/replacement.
10. HVAC inspection/maintenance/repair/replacement.
11. Fire suppression system inspection/maintenance/replacement.
12. The payment of any/all pending or levied assessments.
13. Other services or maintenance as may be agreed by the parties.

b. **LESSEE'S RESPONSIBILITY AND COSTS:**

1. Building janitorial service and supplies.
2. Landscaping and grounds maintenance.
3. Interior and exterior window washing.
4. Parking lot sweeping, sanding and snow removal.
5. Interior and exterior light bulb replacement.
6. Hallway and entrance walk-off mats.
7. Carpet cleaning on a commercially reasonable regular schedule.
8. Professional property management services.
9. Real property taxes (reimburse Lessor).
10. Downtown business district assessments (reimburse Lessor).
11. Monthly utility service: water, gas, electric, sewer (either established in Lessee's name or reimburse Lessor).

12. Post renovation/following final acceptance and occupancy installation and maintenance of all data cables and systems. Initial installation is described in Exhibit "A" .
13. Post Renovation and following the final acceptance and occupancy installation and maintenance of internet service to the Premises. Initial installation is described in Exhibit "A".
14. Property casualty insurance coverage only (reimburse Lessor). All other insurance required under the Lease shall be at the sole expense of Lessor.
15. Security guards or other security services.
16. Post Renovation and following final acceptance and occupancy, the installation and maintenance of key-card or other access system. Initial installation is described in Exhibit "A".
17. Installation, maintenance, and use of a flagpole.

Sec. 5 of the Lease is amended to read as follows:

5. ELECTRICAL REQUIREMENTS:

- a. The electrical requirements of the Premises are described in Exhibit "A".
- b. The Lessor shall post a schematic at each circuit breaker panel with labeling to correspond to individual circuit breaker labels and shall keep the posted plan up to date.

Sec. 6 of the Lease is amended to read as follows:

6. PLUMBING REQUIREMENTS:

- a. The plumbing requirements of the Premises are described in Exhibit "A" .

Sec. 7 of the Lease is amended to read as follows:

7. HEATING, COOLING AND VENTILATION (HVAC) REQUIREMENTS:

- a. The HVAC installation requirements of the Premises are described in Exhibit "A" .
- b. Facilities shall be provided to maintain the temperature in all the offices and similar type space uniformly within 68 degrees F to 78 degrees F range.

If the temperature is not maintained within the 68 degrees F to 78 degrees F range for a period of more than two consecutive working days, the Lessor shall, upon receipt of a written complaint from the Lessee, provide suitable temporary auxiliary heating or cooling equipment, as appropriate, to maintain the temperature in the specified range. If such temporary auxiliary equipment is necessary to meet normal weather contingencies for more than 21 consecutive working days, the Lessor shall, not later than the 21st working day, initiate a continuing and diligently

applied effort to rectify the deficiency causing the failure in order to uniformly maintain the temperature range required. If after 42 consecutive working days the temporary auxiliary equipment is still necessary to meet normal weather contingencies, the Lessee shall be free to hold the Lessor in default, it being considered that the Lessee has proffered a reasonable amount of time for the Lessor to effect suitable modification or repair to the building in order to maintain the specified temperature range without resort to temporary auxiliary devices. "Working days" for the purpose of this section shall be defined as days normally scheduled by the Lessee as open for the conduct of its normal operations.

- c. Adequate ventilation shall be provided in accordance with the mechanical code adopted by the Department of Public Safety for the State or ventilation may be provided by windows with screens that open.

Sec. 8 of the Lease is amended to read as follows:

8. **WINDOW COVERING REQUIREMENTS:** Window covering requirements are described in Exhibit "A".

Sec. 9 of the Lease is amended to read as follows:

9. **FLOOR COVERING REQUIREMENTS:** Floor covering requirements are described in Exhibit "A". In addition, the Lessor is responsible for replacing floor coverings at least once every ten (10) years or sooner if reasonably required, provided the sooner replacement is not required due to extraordinary wear and tear or other fault of Lessee.

The Lessee shall use grating, runners, rubber finger mats or other aggressive methods at the front entrance to the building and the Premises to minimize tracking dirt, snow or ice into the space.

Sec. 10 of the Lease is amended to read as follows:

10. **ACOUSTICAL REQUIREMENTS:** Acoustical requirements are described in Exhibit "A".

Sec. 11 of the Lease is amended to read as follows:

11. **PARTITION REQUIREMENTS:** Partition requirements are described in Exhibit "A".

Sec. 12 of the Lease is amended to read as follows:

12. **PAINTING REQUIREMENTS:** Painting requirements related to the renovation are described in Exhibit "A". In addition, the Lessor is responsible for repainting at least once every ten (10) years or sooner if reasonably required, provided the sooner repaint is not required due to extraordinary wear and tear or other fault of Lessee. All surfaces which normally would be painted shall be finished with a minimum of two coats of interior latex paint on walls and suitable semi-gloss enamel on woodwork and bare metal. The Lessee reserves the right to select the colors for areas to be newly painted.

Sec. 13 of the Lease is amended to read as follows:

13. **DOOR HARDWARE REQUIREMENTS:** Door hardware requirements related to the renovation are described in Exhibit "A" . The Lessee is responsible for any subsequent (post-renovation - after final acceptance and occupancy) modification to door hardware that may be necessary to install additional components of a key card or other security system. The Lessee is responsible for the security and safekeeping of all keys to the Premises.

Sec. 14 of the Lease is amended to read as follows:

14. **VOICE AND DATA REQUIREMENTS:** Voice and data requirements are described in Exhibit "A" . The Lessee is responsible for the installation and maintenance of all voice, data, and internet service to the Premises post-renovation; following final acceptance and occupancy.

Sec. 15 of the Lease is amended to read as follows:

15. **PARKING REQUIREMENTS:** Parking requirements are described in Exhibit "A" .

If additional parking is constructed, it shall be of sufficient size to allow proper and easy parking, and have a hard and well-drained surface. All parking locations must be well lit and have good accessibility in and out of the parking area.

Lessee shall be responsible to maintain the parking areas and to provide that the above grade/surface parking lot is available to the public between the hours of 5:00pm and 6:00am Monday thru Friday and full time on Saturdays and Sundays. Any revenue rates for public parking shall be as determined by Lessee and any collected revenue for public parking shall be the property of the Lessee or its vendors as Lessee may so choose. Lessee shall direct the initial signage installation requirements for the parking areas which Lessor shall install as provided in Exhibit "A" . Thereafter the Lessee shall be responsible for signage installation, maintenance and changes.

Sec. 16 of the Lease is amended to read as follows:

16. **FIRE PREVENTION:** The Lessor shall ensure that the Premises are at all times compliant with local fire code or other authority and shall inspect and maintain all fire suppression equipment and systems as necessary. The Lessee shall maintain the premises in keeping with good housekeeping and fire prevention practices. The Lessor reserves the right at reasonable times to enter and make fire prevention and fire protection inspections of the Premises.

Sec. 17 of the Lease is amended to read as follows:

17. **HAZARDS:** Both the Lessor and Lessee shall endeavor to keep the Premises free from environmental and other hazards.

Sec. 18 of the Lease is amended to read as follows:

18. **JANITORIAL SERVICES:** The Lessee shall be responsible for janitorial services for the entire Premises including common areas, parking areas and exterior areas.

Sec. 19 of the Lease is NOT amended except for the addition of the following provisions:

The last sentence of section 19 A is amended to read:

The Lessor shall be responsible for completing the Renovations described in Exhibit "A" prior to the Lessee accepting and taking occupancy of the Premises. After the Renovations have been completed and the Lessee has accepted and taken occupancy of the Premises, any subsequent alterations to the Premises agreed by the parties will be documented by separate agreement.

Sec. 20 of the Lease is deleted in its entirety.

Sec. 21 of the Lease is amended to read as follows:

21. **SIGNS:** The installation of signage as part of the renovation is described in Exhibit "A". After renovation is complete, Lessee reserves the right to erect or affix signs at the Premises, including the parking areas, so long as such installation does not cause damage to the roof, elevators or structural components of the buildings. The placement of signs at or upon the Premises shall be coordinated with the Lessor to avoid injury to the Premises and to comply with applicable law.

Sec. 22 of the Lease is amended to read as follows:

22. **ELEVATORS:** The Lessor shall ensure that all floors of the Premises under this Lease are served by elevators that comply with the current applicable editions of the rules, regulations and codes of the State and the Municipality of Anchorage. Prior to occupancy by the Lessee, the Lessor shall provide the Lessee with documentation from a licensed elevator maintenance organization stating that the elevator is in good working order and meets all the minimum standards.

Sec. 23 of the Lease is amended to read as follows:

23. **RENOVATION AFTER FINAL ACCEPTANCE OF PREMISES BY LESSEE:** After final acceptance and occupancy, at the reasonable request of the Lessee, the Lessor shall renovate the Premises at Lessee's expense by refinishing all damaged or worn walls, ceilings, floors, or built-in fixtures or replacing damaged or worn wall, floor, or window coverings and paint that are not the responsibility of Lessor. For any renovation, the Lessee reserves the right to make on-site inspections and to determine if and when the renovation is complete and satisfactory. The Lessee reserves the right to work with the Lessor on selecting colors and finishes. If the Lessor does not perform a renovation requested by the Lessee that is allowed by this Section 23 ("Renovation"), the failure to respond is a default under Section 32 ("Remedies on Default").

Sec. 24 of the Lease is amended to read as follows:

24. **WAGE-RELATED REQUIREMENTS:** If construction, alteration, repair, renovation, or redecorating work by the Lessor that is over \$25,000 is required in order for the Premises to be ready for occupancy or if work that is over \$25,000 is performed by Lessor, that directly relates to the Lessee's Premises, while the Lessee is occupying the Premises, the Lessor is advised that the Lease will be considered by the Lessee to be subject to the minimum wage and other requirements of AS 36.05.010 - 36.05.110; the current minimum wages for various classes of laborers, mechanics, and field surveyors (as these terms are defined in AS 36.95.010) and the rate of wages paid during the contract must be adjusted to the wage rate indicated under AS 36.05.010; the Lessor and Lessor's contractors must pay all employees unconditionally and not less than once a week; the scale of wages must be posted in a prominent and easily accessible place at the site of the work; the Lessee shall withhold as much of its payments under this Lease as necessary to pay to laborers, mechanics, and field surveyors employed by the Lessor or the Lessor's contractors the difference between (A) the rates of wages required by the contract to be paid laborers, mechanics, or field surveyors on the work, and (B) the rates of wages in fact received by the laborers, mechanics, or field surveyors that are less than the required wages. The Lessor is encouraged to contact the Department of Labor and Workforce Development for more information about these and other related requirements.

If it is found that a laborer, mechanic, or field surveyor employed by the Lessor or the Lessor's contractor has been or is being paid a rate of wages less than the rate of wages required by the Lease to be paid, the Lessee may, by written notice to the Lessor, terminate the Lessor's right to proceed with the work or the part of the work for which there is a failure to pay the required wages and to prosecute the work to completion by contract or otherwise, and the Lessor and the Lessor's sureties are liable to the Lessee for excess costs for completing the work.

Sec. 25 of the Lease is amended to read as follows:

25. **INGRESS AND EGRESS:** All space shall be available on a 24-hour day, seven days a week basis to the Lessee and its invitees. The Lessee shall have full access to and use of all common areas of the building including elevators, lobbies, stairwells, and restrooms. The Lessor shall install and the Lessee shall maintain a security camera system which covers all of the common areas of the building but not limited to hallways, stairwells, and elevators and the upper and lower parking areas, and provide monitors for the Lessee to operate and monitor.

Sec. 30 of the Lease is amended to read as follows:

30. **LESSEE-INSTALLED ITEMS:** All fixtures and/or equipment of whatever nature that are installed in the Premises by the Lessee, whether permanently affixed or otherwise, shall continue to be the property of the Lessee and may be removed by the Lessee at any time, provided however, that the Lessee shall, at its own expense, repair any injury to the Premises resulting from such removal. However any conduit or wiring installed by the Lessee shall remain. Notwithstanding the foregoing, Lessee may not raze and replace the improvements or make any alterations whose cost exceeds \$5,000 without the prior written consent of the Lessor, which consent shall not be unreasonably withheld, conditioned, or delayed.

Sec. 31 of the Lease is amended to read as follows:

31. **RESTORATION LIABILITIES:** Lessee agrees to leave the Premises at the expiration or termination of this Lease in as good a condition as when first occupied under this Lease, except for reasonable wear and tear and loss or damage caused by fire, explosions, earthquakes, acts of God, or other casualty. At the termination of the Lease, the Lessee is not required to restore the Premises to their condition before the Lessor or Lessee made the improvements required for the Lessee to occupy the Premises under the Lease.

Sec. 33 of the Lease is amended to read as follows:

33. **REMEDIES ON DEFAULT:** If the Lessee shall at any time be in default in the payment of rent, or in the performance of any of the terms of the Lease and shall fail to remedy such default within thirty (30) days after written notice of the default from the Lessor, the Lessor may retake possession of the Premises by an unlawful detainer action or other lawful means, and the Lease will terminate, without prejudice, however, to the right of the Lessor to recover from the Lessee all rent due up to the time of such entry. In case of any default and entry by the Lessor, the Lessor shall relet the Premises for the remainder of the term for the highest rent obtainable and may recover from the Lessee any deficiency between the amount obtained by reletting and the rent specified by the Lease.

If the Lessor shall at any time be in default in the performance of any of the terms or obligations of the Lessor under this Lease, the Lessee may fix the problem involved and deduct the cost, including administrative costs, from the rent, if the Lessor fails to fix the problem after Lessee notifies the Lessor in writing of the default. Upon such notice, Lessor shall cure the default within a reasonable time as defined in Section 49, or if the default cannot reasonably be cured within a reasonable time, then Lessor shall commence the cure within such reasonable time and prosecute it diligently until completion. If Lessor fails to so act, then it shall be in default and Lessee may elect its remedies for default. If the Lessee chooses not to fix the problem or cannot fix the problem, the Lessee may deduct from the rent the Lessee's damages, which are to be determined by the Lessee's Supply Officer. When deducting damages under this sentence, "damages" means either (1) the costs (including administrative costs) of alleviating or adjusting to the problem, or (2) the diminution of the value of the Lease to the Lessee caused by the Lessor's default. Instead of pursuing the other remedies provided by this paragraph, if the Lessor fails to correct a default within the time set forth herein after receiving written notification of the default from the Lessee, the Lessee may terminate the Lease by giving 30 days written notice of the termination to the Lessor and may recover damages from the Lessor. This paragraph does not apply to a situation covered by Section 28 ("Untenantability") or to the termination allowed under Section 20 ("Wage-Related Requirements").

Sec. 34 of the Lease is amended to read as follows:

34. **INDEMNIFICATION:** The Lessor shall indemnify, save harmless, and defend the Lessee, and its officers, agents and employees from liability of any nature or kind, including costs, attorney fees, and other expenses, for or on account of any and all legal actions or claims of any character whatsoever resulting from injuries or damages sustained by any person or persons or property as a result of any error, omission, or negligence, of the Lessor that occurs on or about the rental Premises or that relates to the Lessor's performance of its lease obligations.

Sec. 35 of the Lease is amended to read as follows:

Without limiting Lessor's indemnification, it is agreed that Lessor will purchase at its own expense and maintain in force at all times during the Lease the following policies of insurance:

The requirements contained herein, as well as Lessee's review or acceptance of insurance maintained by Lessor is not intended to, and shall not in any manner, limit or qualify the liabilities or obligations assumed by Lessor under this Lease.

Insurance policies required to be maintained by Lessor will name Lessee as additional insured for all coverage except Workers' Compensation and Professional Liability/E&O insurance.

Lessor and its subcontractors agree to obtain a waiver, where applicable, of all subrogation rights against Lessee, its officers, officials, employees and volunteers for losses arising from work performed by the Lessor and its subcontractors for Lessee. However, this waiver shall be inoperative if its effect is to invalidate in any way the insurance coverage of either party.

Where specific limits are shown, it is understood that they will be the minimum acceptable limits. If the Lessor's policy contains higher limits, Lessee will be entitled to coverage to the extent of such higher limits. The coverages and/or limits required are intended to protect the primary interests of Lessee, and the Lessor agrees that in no way will the required coverages and/or limits be relied upon as a reflection of the appropriate types and limits of coverage to protect Lessor against any loss exposure whether a result of this Agreement or otherwise.

Failure to furnish satisfactory evidence of insurance or lapse of any required insurance policy is a material breach and grounds for termination of the Lease.

- a. **Property Insurance:** The Lessor will provide and maintain (with Lessee reimbursement as per Section 4(b)(14):
1. Property insurance in an amount of not less than 100% of the replacement cost of the building(s) and contents, including improvements made on behalf of Lessee. Coverage shall be written on an "all risk" replacement cost basis and include an endorsement for ordinance and law coverage.

2. If the property is located in a floodplain, flood insurance in an amount of not less than 100% of the replacement cost of the building(s) and contents, including improvements made on behalf of Lessee; or the maximum amount available from the National Flood Insurance Program, whichever is less.
- b. Workers' Compensation Insurance: The Lessor will provide and maintain, for all employees of the Lessor engaged in work under the Contract, Workers' Compensation Insurance as required by AS 23.30.045. The Lessor shall be responsible for ensuring that any subcontractor that directly or indirectly provides services under this Lease has Workers' Compensation Insurance for its employees. This coverage must include statutory coverage for all States in which employees are engaging in work and employer's liability protection for not less than \$100,000 per occurrence. Where applicable, coverage for all federal acts (i.e., USL & H and Jones Acts) must also be included.
- c. Commercial General Liability Insurance: The Lessor will provide and maintain Commercial General Liability Insurance with not less than \$1,000,000 per occurrence limit, and will include premises-operation, products/completed operation, broad form property damage, blanket contractual and personal injury coverage. Coverage shall not contain any endorsement(s) excluding or limiting contractual liability nor providing for cross liability.
- d. Automobile Liability Insurance: The Lessor will provide and maintain Automobile Liability Insurance covering all owned, hired and non-owned vehicles with coverage limits not less than \$1,000,000 per occurrence bodily injury and property damages. In the event Lessor does not own automobiles, Lessor agrees to maintain coverage for hired and non-owned liability which may be satisfied by endorsement to the CGL policy or by separate Business Auto Liability policy.
- e. Umbrella or Excess Liability: Lessor may satisfy the minimum liability limits required above for CGL and Business Auto under an umbrella or excess Liability policy. There is no minimum per occurrence limit under the umbrella or excess policy; however the annual aggregate limit shall not be less than the highest per occurrence limit stated above. Lessor agrees to endorse Lessee as an additional insured on the umbrella or excess policy unless the certificate of insurance states that the umbrella or excess policy provides coverage on a pure "true follow form" basis above the CGL and Business Auto policy.
- f. Professional Liability Insurance: The Lessor will provide and maintain Professional Liability Insurance covering all errors, omissions or negligent acts of the Lessor, its property managers, subcontractors or anyone directly or indirectly employed by them, made in the performance of this Lease which results in financial loss to the State. Limits required are \$500,000.
- g. Fidelity Bond: The Lessor will provide and maintain a Fidelity Bond in the amount of \$250,000 covering all acts of the Lessor, its property managers, or subcontractors who shall have access or perform work upon the Premises.

- h. Certificates of Insurance Lessor agrees to provide Lessee with certificates of insurance evidencing that all coverages, limits and endorsements as described above are in full force and effect and will remain in full force and effect as required by this Lease. Certificates shall include a minimum thirty (30) day notice to Lessee cancellation or non-renewal. The Certificate Holder address shall read:

Legislative Affairs Agency
State Capitol, Room 3
Juneau, Alaska 99801-1182
Fax (907) 465-2918

Sec. 36 of the Lease is amended to read as follows:

36. **DELAYS IN PERFORMANCE:** If the Lessor delays in providing the Premises to the Lessee in a condition the Lessee determines satisfactorily meets the descriptions provided in the attached Exhibit "A", by the deadline set forth in section 3 and Exhibit "B", the Lessor shall provide a written explanation for the delay in performance. The Lessor may be excused from performance due to unforeseeable causes beyond the control and without fault or neglect of the Lessor. Unforeseeable causes may include, but are not limited to: (1) acts of God, (2) public enemy, (3) acts of the state in its sovereign capacity, (4) acts of another contractor in the performance of a contract with the Lessee, (5) fires, (6) floods, (7) quarantine restrictions for epidemics, (8) strikes, (9) freight embargoes, (10) unusually severe weather conditions, and (11) delays unusual in nature by subcontractors or suppliers. Notification of such delays must be made to the Lessee's Procurement Officer in writing within ten (10) days of the commencement of the unforeseeable cause. The Procurement Officer shall ascertain the facts and the extent of delay and the extent of the time for completing the project. The Procurement Officer may approve up to four (4) thirty (30) day extensions if, in the Procurement Officer's judgement, the findings of fact justify an extension. The cause of the extension need not be unforeseeable to justify an extension. The Lessor shall provide written explanation for the delay in performance after the exhaustion of each extension. The Procurement Officer may terminate the Lease at any time after the four (4) thirty (30) day extensions if the Lessor has not provided the Premises to the Lessee in a condition the Lessee determines satisfactorily meets the descriptions provided in the attached Exhibit "A" by the deadline set in Exhibit "B". Pending final decision on an extension of time under this section, the Lessor shall proceed diligently with the performance of the Lease. Inability to comply with state or municipal construction or zoning laws or ordinances or restrictive covenants shall not be regarded as an unforeseeable cause. To terminate the Lease under this section, the Procurement Officer shall provide notice by e-mail or delivery of hard copy to the Lessor, whichever method is selected in the sole discretion of the Procurement Officer. The Procurement Officer shall provide thirty (30) days notice before terminating this Lease.

Sec. 37 of the Lease is amended to read as follows:

37. **HOLDING OVER:** At the Lessee's sole discretion, prior to the Lease expiration, the Lessee may provide a one hundred eighty (180) day written notice to the Lessor informing the Lessor that the Lessee wishes to hold over following the end of the Lease Term. Such election for a holdover shall be not less than six months in duration and not more than one year in duration following the end of the Lease Term. Base Monthly Rental for the Holdover Period shall be as was in effect at the end of the Lease Term plus the applicable Base Monthly Rental adjustment set forth in Section 1(d). Only one holdover election shall be allowed. All other terms and conditions specified by the Lease remain the same.

Sec. 39 of the lease (as amended by Lease Amendment #2 and Renewal # 1 (2009-2010) signed 3/11/2009) is amended as follows:

Delete all content beginning with the second paragraph which begins "The Lessor consents to the Lessee's assignment..."

Sec. 41 of the Lease is amended to read as follows:

41. **USE OF LOCAL FOREST PRODUCTS:** AS 36.15.010 requires that in a project financed by State money in which the use of timber, lumber, and manufactured lumber projects is required, only timber, lumber, and manufactured lumber products originating in this State from local forests shall be used wherever practicable. Therefore, if construction, repair, renovation, redecoration, or other alteration is to be performed by the Lessor to satisfy this Lease, the Lessor must use, wherever practical, timber, lumber, and manufactured lumber products originating in the State from local forests and only products manufactured, produced, or harvested in the state may be purchased if the supplies are competitively priced, available, and of like quality compared with products manufactured, produced, or harvested outside the state.

Sec. 42 of the Lease is amended to read as follows:

42. **LEASE AMENDMENTS:** In addition to any other amendment the parties may be allowed to make under the Lease, the terms of the Lease entered into may be amended by mutual agreement of the parties, if the Lessee determines that the amendment is in the best interests of the Lessee.

Sec. 43 of the Lease is amended to read as follows:

43. **AUTHORIZATION; CERTIFICATION:** Authority for the Chairman of Legislative Council to execute this Lease was authorized by a majority of the members of the Alaska Legislative Council at a meeting on June 7, 2013.

Funds are available in an appropriation to pay for the Lessee's monetary obligations under the Lease through June 30, 2015. The availability of funds to pay for the Lessee's monetary obligations under the Lease after June 30, 2015, is contingent upon appropriation of funds for the particular fiscal year involved. In addition to any other right of the Lessee under this Lease to terminate the Lease, if, in the judgment of the Legislative Affairs Agency Executive Director, sufficient funds are not appropriated by the

Legislature, the Lease will be terminated by the Lessee or amended. To terminate under this section, the Lessee shall provide written notice of the termination to the Lessor. The Executive Director will include a budget request to cover the obligations of Lessee in the proposed budget as presented to the Legislative Council for each lease year as a component of Lessee's normal annual budget request and approval process.

The Lease is amended by adding new sections to read as follows:

46. **HUMAN TRAFFICKING:** By the Lessor's signature on this Lease, the Lessor certifies that the Lessor is not headquartered in a country recognized as Tier 3 in the most recent United States Department of State's Trafficking in Persons Report.

In addition, if the Lessor conducts business in, but is not headquartered in, a country recognized as Tier 3 in the most recent United States Department of State's Trafficking in Persons Report, a certified copy of the Lessor's policy against human trafficking must be submitted to the Agency prior to contract award.

The most recent United States Department of State's Trafficking in Persons Report can be found at the following website: <http://www.state.gov/g/tip/rls/tiprpt>.

If the Lessor is or becomes headquartered in a Tier 3 country, or fails to comply with this Section 46 ("Human Trafficking"), the Lessee may terminate the Lease.

47. **OPTION TO EXTEND LEASE:** The Lessee may exercise an option under this section 47 to extend, as provided by AS 36.30.083, the Lease for up to 10 years following the end of the expiring lease term. To exercise this option, the Lessee shall give notice to the Lessor at least six (6) months before the end of the Lease of the Lessee's intent to negotiate with the Lessor to extend the Lease under AS 36.30.083. The Lessor shall respond within thirty (30) days to the Lessee stating whether the Lessor intends to negotiate an extension under AS 36.30.083 with the Lessee.

48. **SUBORDINATION, NON-DISTURBANCE AND ATTORNMENT (SNDA):**

a. **Mortgages.** This Lease is subordinate to prior or subsequent mortgages covering the Premises. Lessor shall obtain from Lessor's mortgage lender for the Premises an agreement that in the event of a foreclosure by Lessor's lender, this Lease shall stay in effect and Lessee's quiet enjoyment shall not be disturbed so long as it is not in default.

b. **Foreclosures.** If any mortgage is foreclosed, then:

1. This Lease shall continue; and Lessee's quiet possession shall not be disturbed if Lessee is not in default;
2. Lessee will attorn to and recognize the mortgagee or purchaser at a foreclosure sale ("Successor Lessor") as Lessee's lessor for the remaining Term; and

3. The Successor Lessor shall not be bound by:

- i. any payment of Rent or Additional Rent for more than one month in advance, except as specified in the Lease;
 - ii. any amendment, modification, or ending of this Lease without Successor Lessor's consent after the Successor Lessor's name is given to Lessee unless the amendment, modification, or ending is specifically authorized by the original Lease and does not require Lessor's prior agreement or consent; and
 - iii. any liability for any act or omission of a prior Lessor.
- c. **Notice.** Lessee shall give notice to mortgagee of any claim of default under the Lease and allow mortgagee at least thirty (30) days to cure the default prior to terminating the Lease. Lessor and such mortgagee shall provide Lessee with a notice address for this purpose.
- d. **Self-Operating.** These provisions are self-operating. However, Lessee shall promptly execute and deliver any documents needed to confirm this arrangement and such other commercially reasonable terms as required by a mortgagee provided such document also confirms Lessee's right of non-disturbance so long as it is not in default.
- e. **Estoppel Certificate.**
- 1. **Obligation.** Either party ("**Answering Party**") shall from time to time, within ten (10) business days after receiving a written request by the other party (Asking Party), execute and deliver to the Asking Party a written statement. This written statement, which may be relied upon by the Asking Party and any third party with whom the Asking Party is dealing shall certify: (i) the accuracy of the Lease document; (ii) the Beginning and Ending Dates of the Lease; (iii) that the Lease is unmodified and in full effect or in full effect as modified, stating the date and nature of the modification; (iv) whether to the answering Party's knowledge the Asking Party is in default or whether the Answering Party has any claims or demands against the Asking Party and, if so, specifying the default, claim, or demand; and (v) to other correct and reasonably ascertainable facts that are covered by the Lease terms.
 - 2. **Remedy.** The Answering Party's failure to comply with its obligation shall be a default. The cure period for this Default shall be ten (10) business days after the Answering Party receives notice of the default.

49. **DEFINITIONS:**

"commercially reasonable regular schedule" per Section 4 (a) 7 is defined as professional carpet cleaning performed at least once every six (6) months or sooner if the carpeting and walk-off mats show excessive soiling or staining.

"final acceptance and occupancy" is defined as the date that the Lessee takes occupancy of the renovated Premises. This date is related to the lease agreement only and shall not be confused with terms such as substantial completion, partial completion, or other terminology that is directly related to Exhibit "A" and Exhibit "B".

"reasonable time" per Section 33 is defined as follows with respect to the Lessor's obligations as described under Section 4 and more specifically, to the Lessor's responsibility to ensure uninterrupted service to the Premises:

- a. any interruption in a critical building service that immediately and substantially interferes with the Lessee's ability to use the Premises and that is under the control of Lessor including but not limited to items in Section 4 (a) 1 and 2 or any failure or interruption in HVAC, plumbing, water, sewer, electricity, elevators, or fire safety; the Lessor shall commence repairs/restoration as soon as notified and shall endeavor to restore services or temporary substitute services within a "reasonable time" of 24 hours.
- b. ordinary maintenance requests per Sections 4 (a) 3, 4, 6, 7, 8, 9, 10, and 11; the Lessor shall commence work as soon as possible and shall complete the work within a "reasonable time" of thirty (30) days.
- c. extraordinary maintenance requests per Section 4 (a) 5; the Lessor shall commence work within ninety (90) days and shall diligently pursue the work to completion.

"reasonably required" per Section 4 (a) 5, Section 9, and Section 12 – is defined as the time the carpeting or other floor coverings, paint, or casework is no longer in good condition or repair and in the Lessee's opinion is in need of repair or replacement.

50. **INCORPORATION:**

The following documents are incorporated by reference and form a material part of this into this Extension of Lease and Lease Amendment No. 3:

Exhibit "A" LIO Approval Plans (plans, drawings, technical specifications).

Exhibit "B" Project Schedule

Exhibit B-1 Interim Occupancy Schedule

Exhibit "C" Written determination by the Procurement Officer regarding the procurement process leading to this Extension of Lease and Lease Amendment No. 3.

Exhibit "D" Executive Director's Cost Saving Calculation and Report to the Legislative Budget and Audit Committee per AS 36.30.083(b).

51. **AGREEMENT IN ITS ENTIRETY:**

The Lease represents the entire understanding between the parties. No prior oral or written understandings shall have any force or effect with respect to any matter covered in the Lease or in interpreting the Lease. The Lease shall only be modified or amended in writing.

51. **AGREEMENT IN ITS ENTIRETY:**

The Lease represents the entire understanding between the parties. No prior oral or written understandings shall have any force or effect with respect to any matter covered in the Lease or in interpreting the Lease. The Lease shall only be modified or amended in writing.

IN WITNESS WHEREOF, the Lessor and Lessee have executed this Lease on the day, month, and year indicated below.

LESSOR:
716 WEST FOURTH AVENUE, LLC

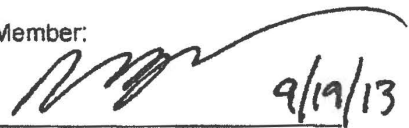
By its Manager:

Mark E. Pfeffer Date
Manager
Tax Identification No.: 46-3682212
Business License No.: 423463

LESSOR:
716 WEST FOURTH AVENUE, LLC

By its Member:

Robert B. Acree Date
Member

 9/19/13

LESSOR:
716 WEST FOURTH AVENUE, LLC

By its Member:

Mark E. Pfeffer Alaska Trust UTAD 12/28/07

Alana Williams date
Its: Trustee


LESSEE:
STATE OF ALASKA
LEGISLATIVE AFFAIRS AGENCY

Representative Mike Hawker Date
Chair, Alaska Legislative Council
Procurement Officer

IN WITNESS WHEREOF, the Lessor and Lessee have executed this Lease on the day, month, and year indicated below.

LESSOR:
716 WEST FOURTH AVENUE, LLC

By its Manager:

 9/19/13

Mark E. Pfeffer Date
Manager
Tax Identification No.: 46-3682212
Business License No.: 423463


LESSOR:
716 WEST FOURTH AVENUE, LLC

By its Member:

Robert B. Acree Date
Member

LESSOR:
716 WEST FOURTH AVENUE, LLC

By its Member:
Mark E. Pfeffer Alaska Trust UTAD 12/28/07

 9/19/13

Alana Williams Date
Its: Trustee

LESSEE:
STATE OF ALASKA
LEGISLATIVE AFFAIRS AGENCY

Representative Mike Hawker Date
Chair, Alaska Legislative Council
Procurement Officer

CERTIFYING AUTHORITY

Pamela A. Vami Date
Executive Director
Legislative Affairs Agency

APPROVED AS TO FORM:

Legal Counsel Date

IN WITNESS WHEREOF, the Lessor and Lessee have executed this Lease on the day, month, and year indicated below.

LESSOR:
716 WEST FOURTH AVENUE, LLC

By its Manager:

Mark E. Pfeffer Date
Manager
Tax Identification No.: 46-3682212
Business License No.: 423463

LESSOR:
716 WEST FOURTH AVENUE, LLC

By its Member:


Robert B. Acree Date
Member

LESSOR:
716 WEST FOURTH AVENUE, LLC

By its Member:
Mark E. Pfeffer Alaska Trust UTAD 12/28/07

Alana Williams Date
Its: Trustee

LESSEE:
STATE OF ALASKA
LEGISLATIVE AFFAIRS AGENCY

 9.19.13

Representative Mike Hawker Date
Chair, Alaska Legislative Council
Procurement Officer

CERTIFYING AUTHORITY

APPROVED AS TO FORM:

Pamela A. Varni Date
Executive Director
Legislative Affairs Agency

Legal Counsel Date

IN WITNESS WHEREOF, the Lessor and Lessee have executed this Lease on the day, month, and year indicated below.

LESSOR:
716 WEST FOURTH AVENUE, LLC

By its Manager:

Mark E. Pfeffer Date
Manager
Tax Identification No.: 46-3682212
Business License No.: 423463

LESSOR:
716 WEST FOURTH AVENUE, LLC

By its Member:

Robert B. Acree Date
Member

LESSOR:
716 WEST FOURTH AVENUE, LLC

By its Member:
Mark E. Pfeffer Alaska Trust UTAD 12/28/07

Alana Williams Date
Its: Trustee

LESSEE:
STATE OF ALASKA
LEGISLATIVE AFFAIRS AGENCY

Representative Mike Hawker Date
Chair, Alaska Legislative Council
Procurement Officer

CERTIFYING AUTHORITY

Pamela A. Varni 9/19/13

Pamela A. Varni Date
Executive Director
Legislative Affairs Agency

APPROVED AS TO FORM:

Legal Counsel Date

IN WITNESS WHEREOF, the Lessor and Lessee have executed this Lease on the day, month, and year indicated below.

LESSOR:
716 WEST FOURTH AVENUE, LLC

By its Manager:

Mark E. Pfeffer Date
Manager
Tax Identification No.: 46-3682212
Business License No.: 423463

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716 WEST FOURTH AVENUE, LLC

By its Member:

Robert B. Acree Date
Member

LESSOR:
716 WEST FOURTH AVENUE, LLC

By its Member:
Mark E. Pfeffer Alaska Trust UTAD 12/28/07

Alana Williams Date
Its: Trustee

LESSEE:
STATE OF ALASKA
LEGISLATIVE AFFAIRS AGENCY

Representative Mike Hawker Date
Chair, Alaska Legislative Council
Procurement Officer

CERTIFYING AUTHORITY

Pamela A. Varni Date
Executive Director
Legislative Affairs Agency

APPROVED AS TO FORM:

P. J. Anderson 9-19-13
Legal Counsel Date

CERTIFYING AUTHORITY

APPROVED AS TO FORM:

Pamela A. Varni
Executive Director
Legislative Affairs Agency

Legal Counsel Date

STATE OF ALASKA)
) ss.
THIRD JUDICIAL DISTRICT)

THIS IS TO CERTIFY that on this _____ day of _____, 2013, before me the undersigned Notary Public in and for the State of Alaska, duly commissioned and sworn as such, personally appeared, MARK E. PFEFFER, known to me and to me known to be the individual named in and who executed the above and foregoing Lease on behalf of 716 WEST FOURTH AVENUE, LLC, and who acknowledged to me that they had full power and authority to, and did execute the above and foregoing Lease on behalf of and as the free and voluntary act and deed of said organization, for the uses and purposes therein mentioned.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal the day, month and year first above written.

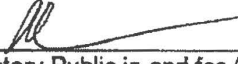
Notary Public in and for Alaska
My commission expires: _____

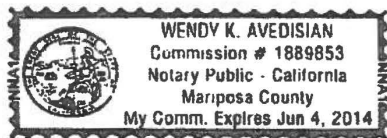
STATE OF ~~ALASKA~~ ^{California})
) ss.
THIRD JUDICIAL DISTRICT)

County of ~~Mariposa~~

THIS IS TO CERTIFY that on this 19 day of September, 2013, before me the undersigned Notary Public in and for the State of Alaska, duly commissioned and sworn as such, personally appeared, ROBERT B. ACREE, known to me and to me known to be the individual named in and who executed the above and foregoing Lease on behalf of 716 WEST FOURTH AVENUE, LLC, and who acknowledged to me that he had full power and authority to, and did execute the above and foregoing Lease on behalf of and as the free and voluntary act and deed of said organization, for the uses and purposes therein mentioned.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal the day, month and year first above written.


Notary Public in and for Alaska
My commission expires: 6/4/14

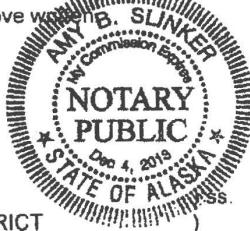


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STATE OF ALASKA)
) ss.
THIRD JUDICIAL DISTRICT)

THIS IS TO CERTIFY that on this 19th day of September, 2013, before me the undersigned Notary Public in and for the State of Alaska, duly commissioned and sworn as such, personally appeared, MARK E. PFEFFER, known to me and to me known to be the individual named in and who executed the above and foregoing Lease on behalf of 716 WEST FOURTH AVENUE, LLC, and who acknowledged to me that they had full power and authority to, and did execute the above and foregoing Lease on behalf of and as the free and voluntary act and deed of said organization, for the uses and purposes therein mentioned.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal the day, month and year first above written.



Amy B. Slinker
Notary Public in and for Alaska
My commission expires: 12/4/13

STATE OF ALASKA)
) ss.
THIRD JUDICIAL DISTRICT)

THIS IS TO CERTIFY that on this _____ day of _____, 2013, before me the undersigned Notary Public in and for the State of Alaska, duly commissioned and sworn as such, personally appeared, ROBERT B. ACREE, known to me and to me known to be the individual named in and who executed the above and foregoing Lease on behalf of 716 WEST FOURTH AVENUE, LLC, and who acknowledged to me that he had full power and authority to, and did execute the above and foregoing Lease on behalf of and as the free and voluntary act and deed of said organization, for the uses and purposes therein mentioned.

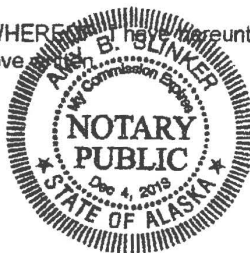
IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal the day, month and year first above written.

Notary Public in and for Alaska
My commission expires: _____

STATE OF ALASKA)
) ss.
THIRD JUDICIAL DISTRICT)

THIS IS TO CERTIFY that on this 19th day of September, 2013, before me the undersigned Notary Public in and for the State of Alaska, duly commissioned and sworn as such, personally appeared, ALANA WILLIAMS, known to me and to me known to be the individual named in and who executed the above and foregoing Lease on behalf of MARK E. PFEFFER ALASKA TRUST UTAD 12/28/07, and who acknowledged to me that she had full power and authority to, and did execute the above and foregoing Lease on behalf of and as the free and voluntary act and deed of said organization, for the uses and purposes therein mentioned.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal the day, month and year first above written.

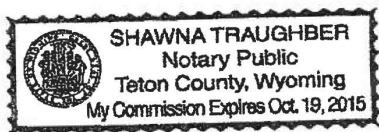


Amy B. Slinker
Notary Public in and for Alaska
My commission expires: 12/4/13

Wyoming
STATE OF ALASKA)
) ss.
THIRD JUDICIAL DISTRICT)

THIS IS TO CERTIFY that on the 19th day of September, 2013, before me, the undersigned Notary Public in and for Alaska, duly commissioned and sworn as such, personally appeared REPRESENTATIVE MIKE HAWKER, known to me and to me known to be the individual named in and who executed the above and foregoing Lease as the CHAIR OF THE ALASKA LEGISLATIVE COUNCIL, and he acknowledged to me that he executed the foregoing Lease as the free and voluntary act and deed of his principal for the uses and purposes therein set forth.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal the day, month and year first above written.



Shawna Traugher
Notary Public in and for ~~Alaska~~ Wyoming
My commission expires: 10/19/2015

STATE OF ALASKA)
) ss.
FIRST JUDICIAL DISTRICT)

THIS IS TO CERTIFY that on the _____ day of _____, 2013, before me, the undersigned Notary Public in and for Alaska, duly commissioned and sworn as such, personally appeared PAMELA A. VARNI, known to me and to me known to be the individual named in and who executed the above and foregoing Lease as the EXECUTIVE DIRECTOR of the STATE OF ALASKA LEGISLATIVE AFFAIRS AGENCY, and she acknowledged to me that she executed the foregoing instrument as the free and voluntary act and deed of her principal for the uses and purposes therein set forth.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal the day, month and year first above written.

Notary Public in and for Alaska
My commission expires: _____

FOR RECORDING DISTRICT OFFICE USE ONLY:
No Charge - State Business

After recording return to:
Tina Strong, Supply Officer
Legislative Affairs Agency
State Capitol, RM 3
Juneau, AK 99801-1182

)

THIS IS TO CERTIFY that on the _____ day of _____, 2013, before me, the undersigned Notary Public in and for Alaska, duly commissioned and sworn as such, personally appeared REPRESENTATIVE MIKE HAWKER, known to me and to me known to be the individual named in and who executed the above and foregoing Lease as the CHAIR OF THE ALASKA LEGISLATIVE COUNCIL, and he acknowledged to me that he executed the foregoing Lease as the free and voluntary act and deed of his principal for the uses and purposes therein set forth.

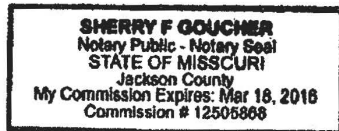
IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal the day, month and year first above written.

My commission expires: _____

County of Jackson

THIS IS TO CERTIFY that on the 19 day of September, 2013, before me, the undersigned Notary Public in and for Alaska, duly commissioned and sworn as such, personally appeared PAMELA A. VARNI, known to me and to me known to be the individual named in and who executed the above and foregoing Lease as the EXECUTIVE DIRECTOR of the STATE OF Alaska LEGISLATIVE AFFAIRS AGENCY, and she acknowledged to me that she executed the foregoing instrument as the free and voluntary act and deed of her principal for the uses and purposes therein set forth.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal the day, month and year first above written.



Notary Public in and for Missouri
My commission expires: 03-18-16

FOR RECORDING DISTRICT OFFICE USE ONLY:
No Charge - State Business

**After recording return to:
Tina Strong, Supply Officer
Legislative Affairs Agency
State Capitol, RM 3
Juneau, AK 99801-1182**

EXHIBIT A – LIO

APPROVAL PLANS

9/19/13

Exhibit A – LIO Architectural Plans

For 9/19/17

PFEFFER DEVELOPMENT 716 W 4TH AVE. Renovation

09.17.2013

ANCHORAGE, ALASKA



CIVIL ENGINEER

EBSC ENGINEERING
11301 OLIVE LANE
ANCHORAGE, ALASKA 99515
Ph: 907.222.1085 Fax: 907.222.5210

STRUCTURAL ENGINEER

REID MIDDLETON, INC.
4300 B STREET SUITE 302
ANCHORAGE, ALASKA 99503
Ph: 907.562.3439 Fax: 907.581.5319

MECHANICAL ENGINEER

RSA ENGINEERING, INC.
2522 ARCTIC BOULEVARD, SUITE 200
ANCHORAGE, ALASKA 99503
Ph: 907.276.0521 Fax: 907.276.1751

ELECTRICAL ENGINEER

EIC ENGINEERS
8927 OLD SEWARD HWY
ANCHORAGE, ALASKA 99518
Ph: 907.349.9712 Fax: 907.349.9713

DEVELOPER

PFEFFER DEVELOPMENT, LLC
425 G STREET, SUITE 210
ANCHORAGE, ALASKA 99501
Ph: 907.646.4644 Fax: 907.646.4655

CONTRACTOR / TEAM LEAD

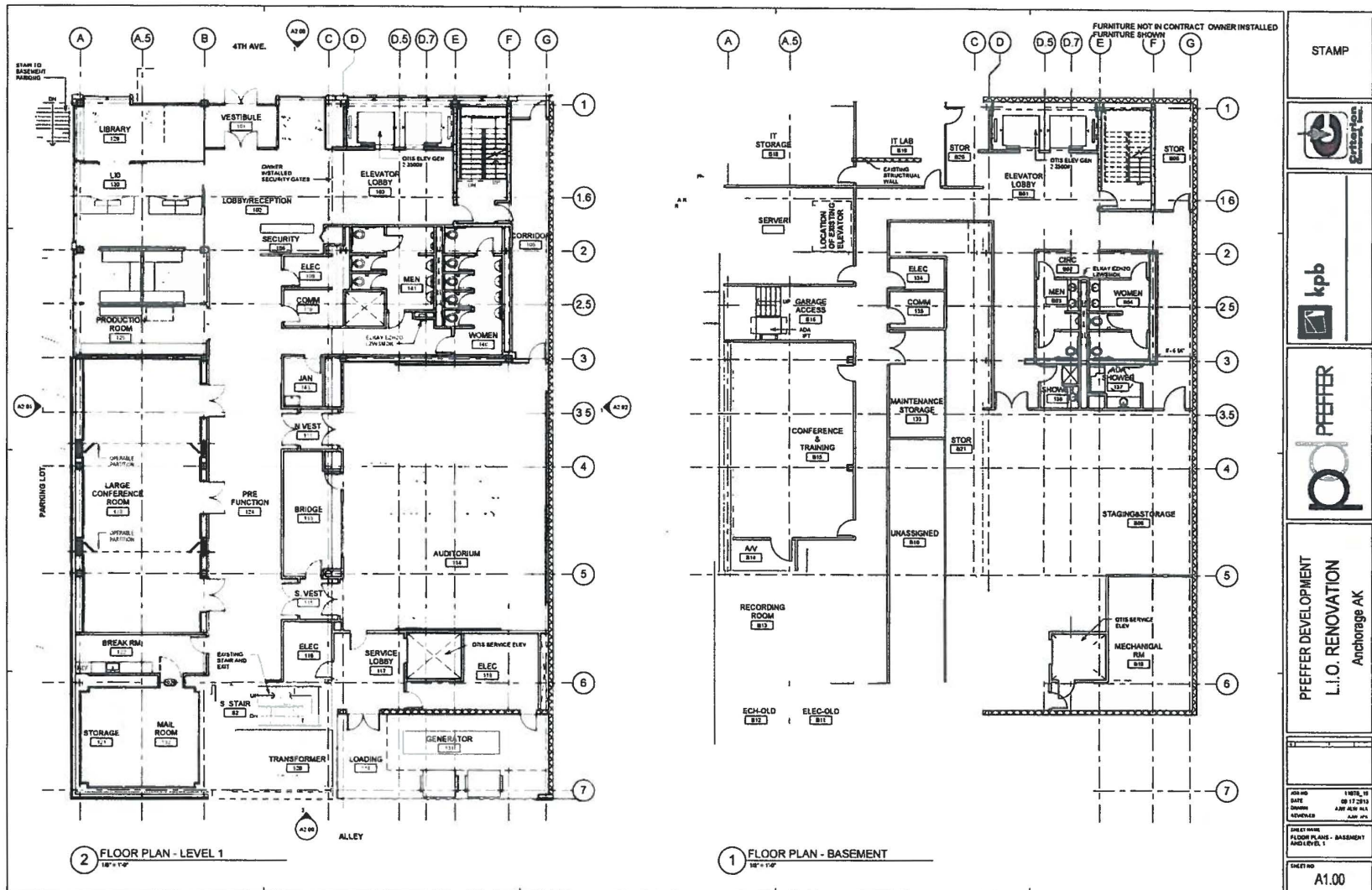
CRITERION GENERAL, INC.
2820 COMMERCIAL DRIVE
ANCHORAGE, ALASKA 99501
Ph: 907.277.3200 Fax: 907.272.8544

ARCHITECT

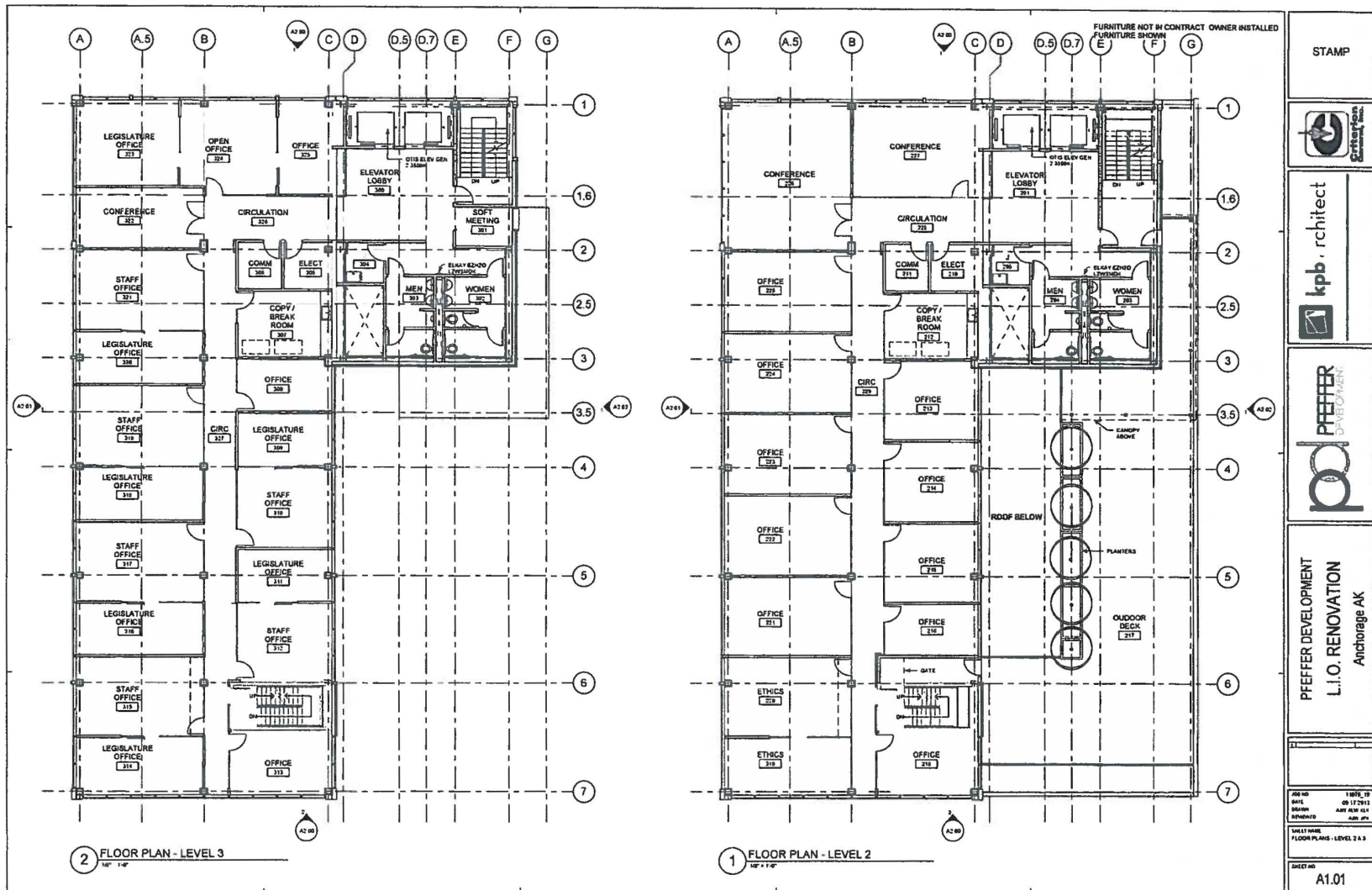
kpb architects
425 G STREET, SUITE 800
ANCHORAGE, ALASKA 99501
Ph: 907.274.7443 Fax: 907.274.7407

9/19/13

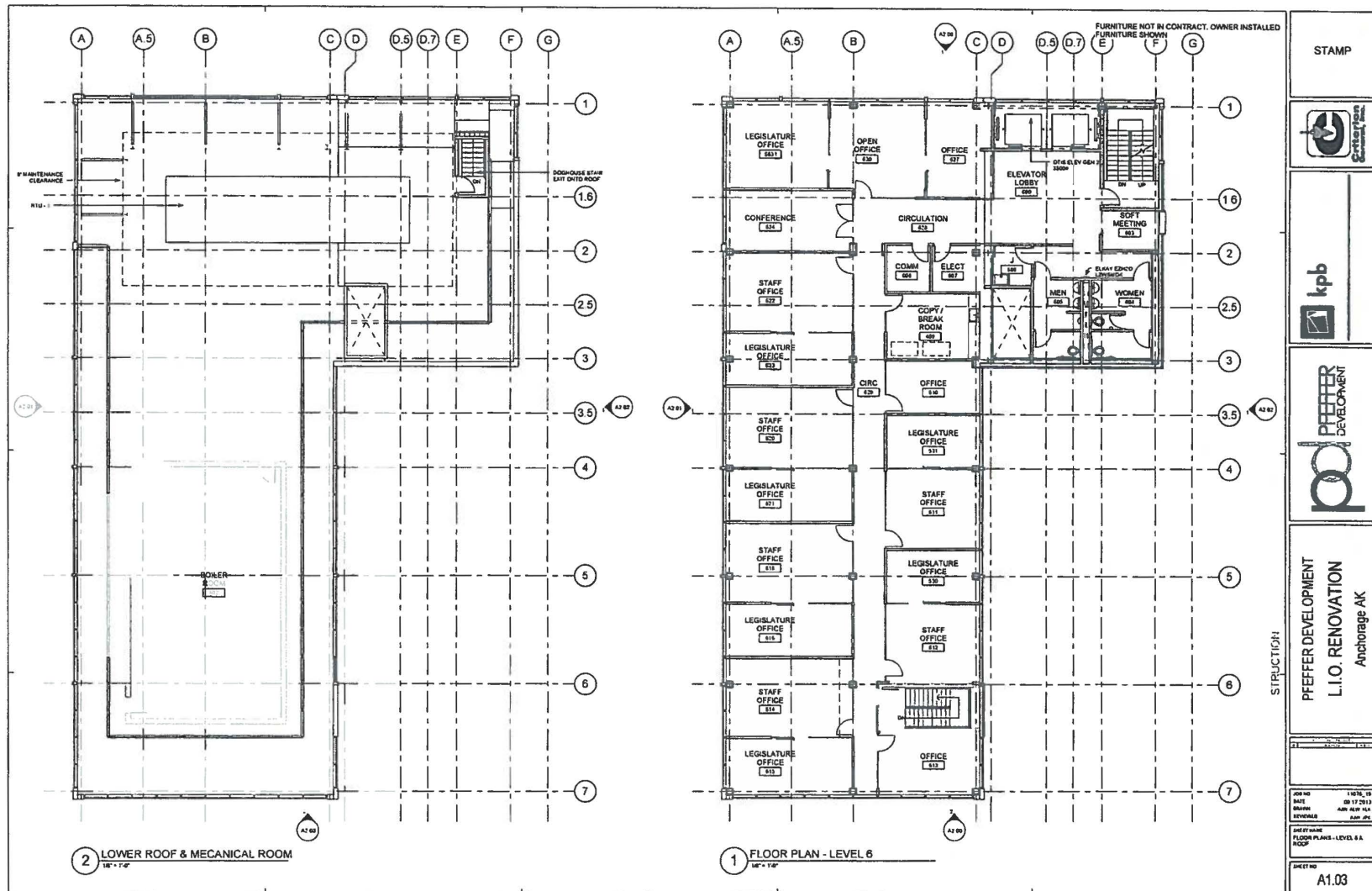
New LIO Lease



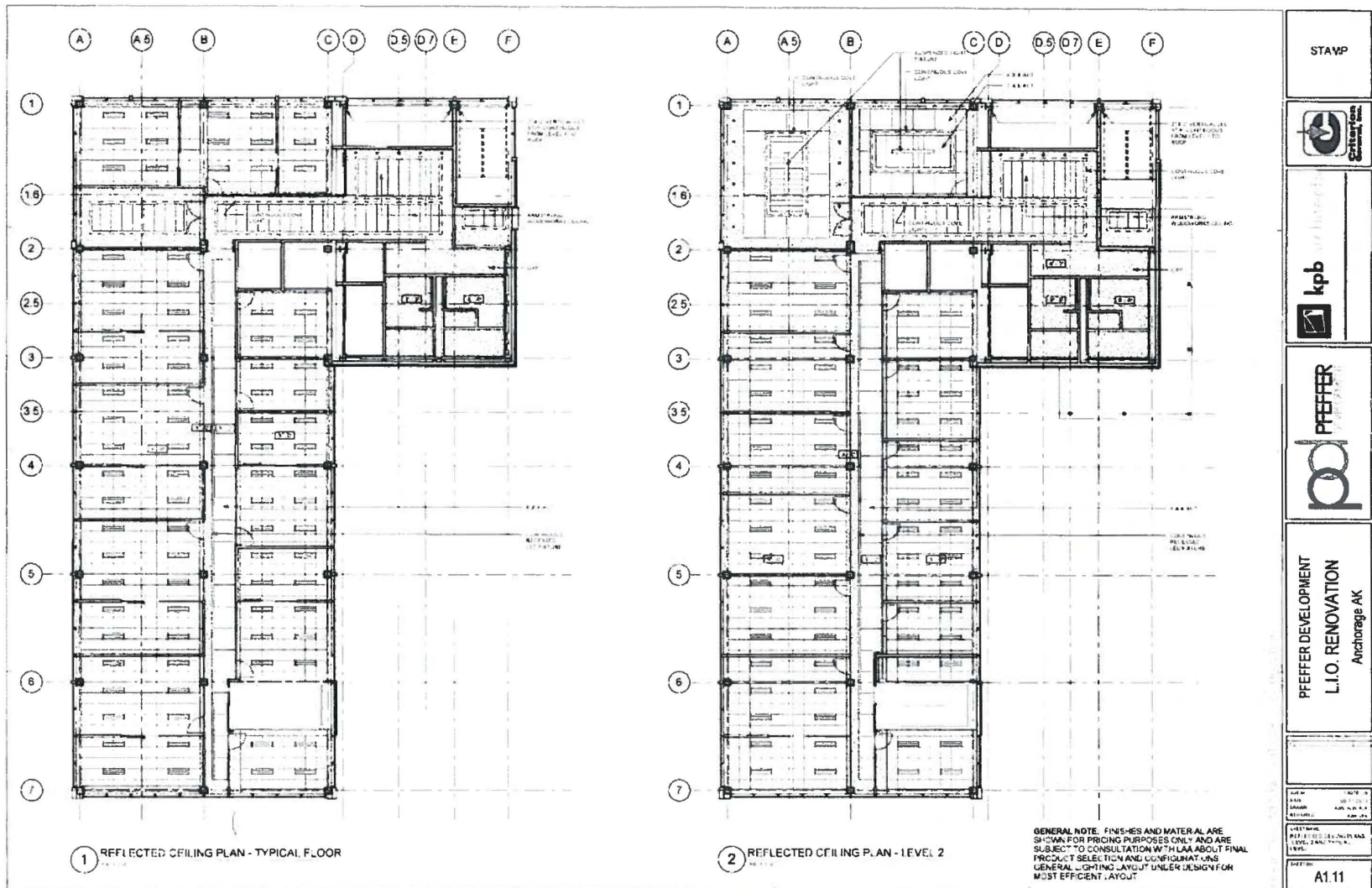
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9/19/10



**LEGISLATIVE INFORMATION OFFICE RENOVATION
WEST 4TH AVENUE**

LEGAL

ORIGINAL TOWN SITE SUBDIVISION; LOTS: 2 AND 3A
LOT SIZES COMBINED: 0.71 ACRES
ZONE: B2B

BLOCK: 40 LOT 2 W39.5' (712 W. 4TH AVE.)
LOT SIZE: 5,135 SF
TAX CODE: 002-105-26-000
GRID NO: SW1230

BLOCK: 40 LOT 3A (716 W 4TH AVE)
LOT SIZE: 25,994 SF
TAX CODE: 002-105-49-000
GRID NO: SW1230

IBC 2009, IEBC 2009, IFC 2009

CHAPTER 3 – USE AND OCCUPANCY CLASSIFICATION

304.1 ASSEMBLY GROUP A-3, BUSINESS GROUP B, TENANT STORAGE ROOM GROUP S-1

CHAPTER 4 – SPECIAL DETAILED REQUIREMENTS BASED ON USE AND OCCUPANCY

405.3 AUTOMATIC SPRINKLER SYSTEM. THE HIGHEST LEVEL OF AN EXIT DISCHARGE SERVING THE UNDERGROUND PORTIONS OF THE BUILDING AND ALL LEVELS BELOW SHALL BE EQUIPPED WITH AN AUTOMATIC SPRINKLER SYSTEM INSTALLED IN ACCORDANCE WITH SECTION 903.3.1.1. WATER-FLOW SWITCHES AND CONTROL VALVES SHALL BE SUPERVISED IN ACCORDANCE WITH SECTION 903.4.

CHAPTER 5 – GENERAL BUILDING HEIGHTS AND AREAS

TABLE 503 ALLOWABLE BUILDING HEIGHTS AND AREAS

OCCUPANCY:	A-3/B/S-1
CONSTRUCTION TYPE:	TYPE II A
BUILDING HEIGHT:	5 STORIES + 1 PER HEIGHT INCREASE (504.2) 6 STORIES ACTUAL BUILDING HEIGHT 6 TH LEVEL FLOOR 64'-6" + 20 FEET INCREASE (504.2)
BUILDING AREA:	A-3/B/S-1 (GROSS) 11,140 SF BASEMENT 11,549 SF FIRST FLOOR

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7,968 SF FLOORS 2-6
1,659 SF MECHANICAL PENTHOUSE
64,188 SF ACTUAL GROSS

506.1 BUILDING AREA MODIFICATIONS

ALLOWABLE AREA=37,500+[37,500X.75]= 65,625 SF/FLOOR (OK)

$LF=[363.75/363.75-.025]X30/30=.75$

TABLE 508.2.5 INCIDENTAL ACCESSORY OCCUPANCIES

MECHANICAL ROOM – 1 HOUR OR PROVIDE AUTOMATIC FIRE-EXTINGUISHING SYSTEM.

508.2.5.2 NONFIRE-RESISTANCE-RATED SEPARATION AND PROTECTION. WHERE TABLE 805.2.5 ALLOWS FOR AUTOMATIC FIRE-EXTINGUISHING SYSTEM IN LIEU OF 1-HOUR FIRE BARRIER INCIDENTAL ACCESSORY OCCUPANCIES SHALL BE SEPARATED FROM THE BUILDING BY CONSTRUCTION CAPABLE OF RESISTING THE PASSAGE OF SMOKE.

TABLE 508.4 REQUIRED SEPARATIONS OF OCCUPANCIES

NO FIRE BARRIER OR HORIZONTAL ASSEMBLY CONSTRUCTED IS REQUIRED BETWEEN:
A-3, B AND S-1 OCCUPANCIES.

CHAPTER 6 – TYPES OF CONSTRUCTION

TABLE 601 FOR TYPE II A CONSTRUCTION

PRIMARY STRUCTURE:	1 HOUR
BEARING WALLS EXTERIOR:	1 HOUR
BEARING WALLS INTERIOR:	1 HOUR
NON-BEARING WALLS EXTERIOR:	1 HOUR AT GREATER THAN OR EQUAL TO 30 FEET (TABLE 602)
NON-BEARING WALLS INTERIOR:	0 HOUR
FLOOR CONSTRUCTION:	1 HOUR
ROOF CONSTRUCTION:	1 HOUR

CHAPTER 7 – FIRE AND SMOKE PROTECTION FEATURES

TABLE 705.8 MAXIMUM AREA OF OPENINGS

EAST WALL AT PROPERTY LINE:	NO OPENINGS PERMITTED
EAST WALL AT SETBACK:	25% GREATER THAN 5' TO 10'
WEST WALL:	UNLIMITED
NORTH WALL:	UNLIMITED
SOUTH WALL AT ALLEY:	UNLIMITED

708 SHAFT ENCLOSURES

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708.4 FIRE-RESISTANCE RATING

2 HOUR FIRE-RESISTANCE RATING (6 STORY BUILDING)

708.14.1 EXCEPTION 4. ENCLOSED ELEVATOR LOBBIES ARE NOT REQUIRED WHERE THE BUILDING IS PROTECTED BY AN AUTOMATIC SPRINKLER SYSTEM INSTALLED IN ACCORDANCE WITH SECTION 903.3.1.1 OR 903.3.1.2.

715 OPENING PROTECTIVES

TABLE 715.4 FIRE DOOR AND FIRE SHUTTER FIRE PROTECTION RATINGS:

FIRE PARTITION OR CORRIDOR WALLS:

1 HOUR ASSEMBLY RATING: ¾ HOUR MINIMUM
2 HOUR ASSEMBLY RATING: 1.5 HOUR MINIMUM

FIRE BARRIERS:

1 HOUR ASSEMBLY RATING: ¾ HOUR MINIMUM
2 HOUR ASSEMBLY RATING : 1.5 HOUR MINIMUM

715.4.3.2 GLAZING IN DOOR ASSEMBLIES: IN A 20-MINUTE FIRE DOOR THE GLAZING MATERIAL IN THE DOOR ITSELF SHALL HAVE A MINIMUM FIRE-PROTECTION-RATED GLAZING OF 20 MINUTES. NFPA 257 OR UL 9.

TABLE 715.5 FIRE WINDOW ASSEMBLY FIRE PROTECTION RATINGS:

FIRE BARRIERS WITH GREATER THAN 1 HR.:	NP
FIRE BARRIERS WITH 1 HOUR RATING:	¾ HOUR MINIMUM
FIRE PARTITIONS WITH ½ HOUR RATING:	1/3 HOUR MINIMUM
FIRE PARTITION WITH 1 HOUR RATING:	3/4 HOUR MINIMUM
PARTY WALLS:	NP

716 DUCTS AND AIR TRANSFER OPENINGS

TABLE 716.3.2.1 FIRE DAMPER RATING: 1.5 HR. MINIMUM DAMPER RATING FOR PENETRATIONS OF 3 HR. OR LESS FIRE-RESISTANCE RATED ASSEMBLIES.

CHAPTER 9 – FIRE PROTECTION SYSTEMS

903 OCCUPANCY B/S-1: AN AUTOMATIC SPRINKLER SYSTEM INSTALLED IN ACCORDANCE WITH SECTION 903 SHALL BE PROVIDED.

905.3.1 REQUIRED INSTALLATION. CLASS I STANDPIPE SYSTEM WILL BE INSTALLED PER EXCEPTION 1.

See
9/19/13

906 PORTABLE FIRE EXTINGUISHERS

TABLE 906.3 MAXIMUM TRAVEL DISTANCE TO EXTINGUISHER = 75 FEET

907 FIRE ALARM AND DETECTION SYSTEMS

907.2.2 GROUP B/S-1. FIRE ALARM SYSTEMS AND SMOKE ALARMS SHALL BE PROVIDED.

907.2.9.1 MANUAL FIRE ALARM SYSTEM. IS PROVIDED ALONG WITH A AN AUTOMATIC SPRINKLER SYSTEM AND THE OCCUPANT NOTIFICATION APPLIANCES WILL AUTOMATICALLY ACTIVATE THROUGHOUT THE NOTIFICATION ZONES UPON A SPRINKLER WATER FLOW.

CHAPTER 10 – MEANS OF EGRESS

1004 OCCUPANT LOAD (USABLE)

BASEMENT: 9,806 SF <i>MINIMUM)</i>	A-3	891 SF/15=60 OCCUPANTS (EGRESS WIDTH .2 X 60=12"
	B	3,631 SF/100=36 OCCUPANTS (EGRESS WIDTH .2 X 36=7.2"
	MECH	1,393 SF/300=5 OCCUPANTS
	S-1	3,561 SF/300=12 OCCUPANTS
	<i>MINIMUM)</i>	
LEVEL 1: 10,374 SF <i>MINIMUM)</i>	A-3	3,227 SF/15=215 OCCUPANTS (EGRESS WIDTH .2 X 215=43"
	B	6,179 SF/100=62 OCCUPANTS
	MECH	308 SF/300=1 OCCUPANT
	S-1	660 SF/300=7 OCCUPANTS
LEVEL 2-6:	B	6,964 SF /100=70 OCCUPANTS X 5=350 OCCUPANTS (EGRESS WIDTH .3 X 70=21" MINIMUM PER FLOOR)
ROOF:	PENT	1,442 SF/300=5 OCCUPANTS

TOTAL BUILDING OCCUPANT LOAD=753

TABLE 1016.1 EXIT ACCESS TRAVEL DISTANCE:

B/S-1	300 FT SPRINKLERED
A	250 FT

TABLE 1018.1 CORRIDOR FIRE-RESISTANCE RATING:

A/B/S-1:	0 SPRINKLERED
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1018.4 DEAD END CORRIDOR:

B/S-1:	50 FT SPRINKLERED
A:	20 FT SPRINKLERED

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TABLE 1021.1 MINIMUM NUMBER OF EXITS. 2 REQUIRED

1022.1 ENCLOSURES REQUIRED EXIT STAIRWAYS ARE CONSTRUCTED IN ACCORDANCE WITH SECTION 707. THE FIRE-RESISTANCE RATINGS ARE 2 HOURS.

CHAPTER 11 – ACCESSIBILITY

DUE TO THE EXISTING CONDITIONS OF THIS 1969 BUILDING, NOT ALL ACCESSIBILITY COMPONENTS FOR NEW CONSTRUCTION CAN BE ACHIEVED.

1104.1 SITE ARRIVAL POINTS: THE BUILDING IS ACCESSIBLE FROM ARRIVAL POINTS ON THE EXISTING SITE.

1105.1 PUBLIC ENTRANCE: THE ENTRY POINTS ARE ACCESSIBLE.

1105.1 PUBLIC ENTRANCE: MODIFIED ACCESSIBLE ELEMENTS ARE PROVIDED ON EACH FLOOR. DUE TO EXISTING STRUCTURAL LIMITATION NOT ACCESSIBLE ROUTES AND CLEARANCES ARE ACHIEVABLE.

CHAPTER 29 – PLUMBING SYSTEMS

TABLE 2902.1

753/2=377 M&W

	MEN	WOMEN	REQUIRED	PROVIDED
<u>BUSINESS</u>				
WATER CLOSETS				
1 PER 25 FIRST 50	2	2		
1 PER 50 BALANCE	7	7		
TOTAL	9 *A (3)	9	3 M 9 W	9 M 17 W
URINALS (.67% OF WC'S)*A	6		6 M	9 M
LAVATORIES	5	5	5 M 5 W	15 M 16 W
DRINKING FOUNTAINS			8	7 (+ WATER SERVICE STATIONS)
SERVICE SINK			1	5

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LIO – Architectural Narrative

09.06.13

Refer to Elevation drawings A2.00, A2.01 and A2.02 for exterior material.

Conference Areas

Flooring:

Upgraded flooring different from typical office suites

Walls:

Combination of wall cladding and paint

Ceiling:

The ceiling is a combination of painted GWB and upgraded ceiling finish

The lighting will be a combination of cove lights, recessed cans and suspended fixtures

Elevator Lobby – level one

Flooring:

Ceramic or porcelain tile

Walls:

Combination of wall cladding and paint

Ceiling:

The ceiling is a combination of painted GWB and upgraded ceiling finish

The lighting will be a combination of cove lights, recessed cans and suspended fixtures

Elevator Lobbies – typical floors

Flooring:

Upgraded flooring different from typical office suites

Walls:

Combination of wall cladding and paint

Ceiling:

The ceiling is a combination of painted GWB and upgraded ceiling finish

The lighting will be a combination of cove lights, recessed cans and suspended fixtures

Office Suites

Door – carpet or wood

Ceiling – combination of GWB and 2' x 2' M.I.

Walls – base coat and acrylic, partitions between offices and corridors

Partitions glass partitions between offices and corridors

9/19/17

Toilet Rooms

Ceramic or porcelain tile on floors and wet walls.

Wall coverings on all other walls.

Doors into compartments to be maple wood with opaque glass grill.

Acoustical Requirements

Walls - STC of 43-44 at office suite demising walls and conference rooms.

Floor/Ceiling - and/or equal to wall.

Over-all Energy Efficiency

The project will be designed to LEED standards regarding exterior & interior finishes, lighting and mechanical systems.

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Exhibit A – LIO Civil Narrative

For 9/14/13

Legislative Information Office, Anchorage, AK
Concept Civil Narrative
07/03/2013

CIVIL NARRATIVE

The proposed project is located within Municipality of Anchorage Grid SW1230 and will occupy Lots 3A and Lot 2 W39.5', Block 40, Original Subdivision. The properties are zoned B2B by the MOA. The two lots combined are approximately 0.71 acres and are currently occupied by a restaurant/bar, 7-story building, and a two-level parking area. As part of this project, the two lots will be combined, the restaurant demolished, and the 6-story office building remodeled and expanded.

It is expected that construction of the new Legislative Information Office (LIO) will also include major sidewalk and alleyway improvements.

Site Demolition

Site preparation will include the following:

- Complete demolition of the existing Anchor Pub, with exception of the east wall.
- Approximately 1,800 sf existing sidewalk along 4th Avenue.
- 2,000 sf existing asphalt in alleyway.

Excavation and Backfill

The existing foundation material is suitable for foundation support. Excavation and backfill will follow the recommendations of the geotechnical report that is being prepared for this project by Northern Geotechnical Engineering – Terra Firma Testing.

Water Service

An 8" cast iron pipe (CIP) water main is located in the alley to the south of the properties, approximately 10-feet below the road surface. An existing 6" DIP water service extends into the alley behind the LIO. An existing 4" CIP water service connects the Anchor Pub to the 8" water main in the alley. Both existing services will be abandoned at the main.

A new 6" water service will be connected to the 8" service line entering the new addition. All water system components will be based on the Municipality of Anchorage Standard Specifications and Details.

Water system improvements required for this project will likely include the following:

- Abandon the existing water service connections to the main.
- Installation of 12 lf new 8" service connection to the 8" cast iron main.
- Installation of a new Private Fire Hydrant on property. NFPA requires that the FDC is located less than 100' from the nearest fire hydrant.
- Installation of 10.5 lf new 6" water service from the hydrant leg to the structure.

Sanitary Sewer Service

An existing 12" Vitrified Clay (VC) sanitary sewer main is located in the alley, at approximately 8 to 10-feet below grade. AWWU is planning to upgrade the existing sewer pipe in the fall of 2013 using a Cured In Place Pipe (CIPP) rehabilitation method. Coordination with AWWU will be required to inform them which connections will need to be reestablished. All wastewater from this area is treated at the John M. Asplund Wastewater Treatment Facility in Anchorage. All sanitary sewer system components will be based on the Municipality of Anchorage Standard Specifications and Details.

Sewer system improvements for this project will likely include the following:

- Install 4' diameter sewer control manhole on property in loading area.
- Install approximately 28 LF of 6" PVC sewer service.

Storm Water System

Currently, storm water is collected on the roofs of the existing structures and directed to the municipal storm drain system via roof drains.

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- Verify current roof drain location and size.
- If size and location is acceptable, connect new structure roof drains to existing roof drain.
- If the size and location of the existing roof drain piping is not acceptable, install an additional 125 lf 12" CPEP in the alleyway and a 1 Type I Manhole near the south west corner of the LIO. Connect new roof drain to the new manhole.

Site Access

The property will be easily accessible to pedestrians, bicyclists, automobiles, and service/ emergency vehicles. The existing surface lot and underground parking are to remain. Sidewalk and alleyway improvements are planned along 4th Avenue and in the alley to the south of the properties. A loading area is planned on the south side of the building adjacent to the alley to accommodate truck loading, dumpsters and an emergency generator.

Site Access improvements for this project will likely include the following:

- 1,000 sf of heated sidewalk along 4th Avenue
- 2,000 sf asphalt replacement in alley

Geotechnical Considerations

A subsurface investigation of the project site by Northern Geotechnical Engineering – Terra Firma Testing is underway. Four borings are to be drilled and samples taken from various depths to classify the surrounding soils. A geotechnical report will be prepared which will include recommendations for the following:

- Excavation & Fill Placement
- Utilities
- Pavement
- Foundation Design

Required Development Permits

The following is a list of development permits that most likely will be required from the Municipality of Anchorage to construct the new LIO Development.

- Municipality of Anchorage (MOA) Right-of-Way Permit
- MOA Storm Water Site Plan Review
- MOA Grading, Excavation, and Fill Permit
- MOA Building Permit
- AWWU Private System Water & Sewer Service Permits

Parking

Existing onsite parking is available for up to 103 spaces. Upgrades to the existing garage consist of new lighting, paint and a secure basement level with access control.

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Exhibit A – LIO Mechanical Narrative

File 9/19/13

P R O J E C T N A R R A T I V E

LIO Anchorage State Legislative Office Building Renovation

Design Parameters:

The latest adopted version of the following codes and standards as amended by the Municipality of Anchorage are currently applicable for this project:

International Mechanical Code
International Fuel Gas Code
Uniform Plumbing Code
International Building Code
International Fire Code
NFPA 13
SMACNA – Sheet Metal Design Standards
National Electrical Code
Americans with Disabilities Act (ADA)
ASHRAE/IES Standard 90.1
International Energy Conservation Code

The design parameters listed in this document may be considered a working document as well. As the design progresses the parameters in this document may be revised as a result of changing technology, payback analysis and/or feedback from the owner.

Mechanical & Plumbing Demolition:

All existing mechanical and plumbing systems will be demolished from the building. Remodel work will provide all new plumbing systems from the main AWWU utilities in the alley; and will be installed completely new to support the new building addition and existing structure. All existing heating and ventilation systems will be completely demolished from the building and will be replaced with new efficient systems.

Fire Protection:

As this is a design build project the sprinkler contractor will work with a NICET licensed sprinkler designer to provide design and installation of the sprinkler system. It is anticipated that a standard wet-pipe sprinkler system complying with NFPA 13 will be provided throughout the facility. A dry-pipe sprinkler system may be necessary to protect canopies or overhangs if they are built of combustible construction.

C:\Users\KKakizaki\AppData\Local\Microsoft\Windows\Temporary Internet
Files\Content.Outlook\KLTXS4MA\L3141 LIO Mechanical Narrative-Final Without
High Rise.docx

Doc 9/19/11

The building height of 110' to the mechanical penthouse level in combination with the available water pressure at the site is very close to needing a fire pump to supply adequate pressure to the sprinkler heads at the top of the building. The need for a fire pump will need to be analyzed by the sprinkler designer to determine if piping can be sized to meet site conditions. Static water pressure is approximately 60 PSI; available flow at the main is 2,436 GPM at 20 PSI residual.

A single sprinkler riser will be acceptable since the building is less than 52,000 square feet per floor. Dry standpipe risers will be located in the stairwell exit enclosure(s). One dry pipe will need to extend through the roof for fire department access.

A suitably sized fire department connection line will be routed from the sprinkler riser to near the building's main entry. Sprinkler piping will need to conform to the requirements of NFPA 13.

Plumbing:

The new water service and sprinkler riser will be located in the basement and first floor mechanical room adjacent to the South alley to support both domestic water and sprinkler systems. The requirement for a fire pump (if necessary) will drive space constraints and locations as the design moves forward.

It is anticipated that a 6" water service will be provided for the building. The domestic water system will be separated from the sprinkler system by a double check back flow prevention device in accordance with requirements of the UPC.

Due to the height of the building a domestic water pressurization pump package will be necessary to provide adequate pressure for plumbing fixtures in the upper floors. A variable speed controlled multiple pump package will be specified to service the upper floors. The basement and lower level floors will operate using city water pressure and will be piped separate from the domestic water booster pump. The domestic water service will also include a backflow preventer. All domestic water piping will be specified to be Copper, CPVC or PEX piping.

The new sanitary sewer service will enter the building from the South alley. The pipe will be 6" diameter and enter the building above the floor level of the basement. The basement plumbing fixtures will drain to a duplex lift station that will pump the sanitary waste up to the level of the incoming sanitary sewer line. The lift station will be located in a dedicated room that is ventilated continuously at 5 air changes per hour. Sanitary piping will be specified to be cast iron no-hub or copper, drain waste and vent (DWV). ABS and PVC can be considered for areas that do not have return air plenums, or noise concerns.

Handwritten signature and date:
9/19/13

Domestic hot water for the building will be provided using two separate water heaters. One water heater will be located in the first floor area and supply the lower floors that operate using city water pressure. The second water heater will be located in the mechanical penthouse and will serve the fixtures that operate using the domestic water pressure booster pump. Water heaters will be gas fired sealed combustion high efficiency equipment. A hot water recirculation system will be required to provide hot water to plumbing fixtures located on each floor. Water will be stored in the tank at 140 degrees and will be routed through a tempering valve prior to distribution to the rest of the building. The distribution temperature will be adjustable but we recommend a 115-degree temperature. Tempering valves with the appropriate ASSE listing will be utilized at public lavatories.

New plumbing fixtures will be installed throughout the facility. All the existing fixtures will be demolished. The new plumbing fixtures will be specified to include water and energy saving devices and will incorporate vandal resistant features to prevent tampering. New floor drains will be installed where required. All new floor drains will be equipped with trap primers as required by code. In addition to the new restroom groups, each legislative office floor will include a kitchen sink, dishwasher & hydration station and refrigerator. Single stall shower rooms will be provided in the basement for the small locker and exercise equipment areas.

New exterior, frost-proof hose bibbs will be provided for both the new addition and existing portion of the building. Hose bibbs will be installed around the exterior of the building at approximately 150' intervals or specifically where needed for clean-up or irrigation for planting. Hot water and cold water hose bibbs will be installed in the toilet rooms where Janitor rooms are not located adjacent to the toilet rooms.

New rainleader piping will be installed to support the new roof drains and overflow drains serving the facility. The roof drains and overflow drains will connect at the roof and tie into the primary storm drain lines inside the building; an overflow scupper will be installed where the building storm sewer leaves the building in accordance with Handout Number 39 of the Municipality of Anchorage Building Safety Division.

The existing gas meter bar has several gas meters that serve various buildings on the block. The final location of the gas meter(s) and service to the building(s) that are currently supplied from the South alley will need to be coordinated with Enstar and the various building owners.

Elevator sump pumps will be necessary; current code requires 50 GPM capacity per elevator car. The Municipality of Anchorage is currently preparing a policy that may allow 50 GPM capacity per elevator pit; this will be evaluated during the design process.

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9/19/13

Fuel Systems:

New natural gas piping will be provided to supply the boilers, water heater, and the rooftop HVAC unit on the roof. Due to the length of run from the meter location to the roof it is anticipated that a medium pressure gas piping system will be designed to limit the size of the gas piping. The location of the medium pressure gas piping will need to be coordinated with the architecture. Enstar has restrictions on the use of medium pressure gas piping within a building. The gas piping may have to be enclosed in a decorative chase or be routed exposed up the exterior of the building. The gas meter will be provided with a mechanical operated earthquake valve to shut off gas in the event of a significant seismic event.

In addition the gas meter and gas piping that was recently installed for the Verizon generator located on the roof of the building will need to be addressed in the remodel similar to that described above (for new gas piping to the boiler/HVAC system).

The packaged standby generator will be provided and specified by the electrical engineer. The generator will include a double wall subbase fuel storage tank with the unit for fuel storage.

Heating:

The new boiler system will be installed in the existing penthouse mechanical room. The heating system will include two (2) sealed combustion high efficiency-modulating boilers. Two in-line mounted circulating pumps with variable frequency drives will supply heating water to the building.

Depending upon the selected boilers; piping will be either a parallel pipe design, or a primary/secondary piping arrangement with a boiler pump. The hot water supply temperature will be reset based on outside air temperature. The outside air reset schedule will increase supply hot water temperatures during peak heating season operation and decrease hot water supply temperatures to minimum levels during shoulder and summer seasons.

The building will be heated with fintube radiation. The fintube will be located continuously along the perimeter of the building to provide warmth where the heat is lost through the exterior wall. Entryway terminal heat transfer equipment will be cabinet unit heaters; storage rooms and penthouse areas will utilize hydronic unit heaters. Perimeter fintube and the terminal heating units will provide heat to the building during unoccupied hours when the air-handling units are off. Hydronic heating coils will be installed in each of the VAV boxes to provide tempering of supply air and supplemental heating for occupant comfort. Fintube, terminal heating equipment, and heating coils will be oversized to

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operate with 140 degree F water to allow the high efficiency boilers to operate at condensing temperatures throughout the year.

A direct return heating system will supply the terminal heating equipment. The piping mains will be routed vertically in the ventilation shaft and tee off at each floor to serve fin tube, unit heaters, and VAV box coils. Heating coils and terminal heating equipment will be provided with 2-way valves to take advantage of the variable speed pumps. Isolation valves will be provided at each floor where piping exits the shaft for maintenance and isolation for remodel work.

The primary heating system will utilize water with inhibitors for corrosion protection and stabilization a chemical feed and test station will be incorporated into the design. Glycol water systems are not necessary for the building as the rooftop HVAC unit has gas heat and there will be no heating coils exposed to freezing conditions.

Ventilation:

The ventilation system for the building will consist of a new packaged, gas fired, electric cool, direct expansion HVAC rooftop unit. The air distribution system will be designed to conform to ASHRAE Standard 62.1 to ensure good indoor air quality. CO2 sensors and outside air intake volumetric measurement sensors will be employed to ensure adequate ventilation rates. A post construction, pre-occupancy ventilation purge of the building is planned to remove indoor air contaminants produced by off gassing of new construction materials.

The building ventilation system will be variable air volume (VAV). Medium pressure supply air ductwork will be routed from the rooftop HVAC unit to each floor using a ventilation shaft. A combination fire/smoke damper will be required where the supply duct penetrates the shaft wall. The ventilation shaft will also provide the path for return and relief air back to the rooftop HVAC unit. Return air openings complete with combination fire/smoke dampers and sound lined elbows will be provided above ceiling at each floor to allow return air to transfer into the shaft. The space above the T-Bar ceiling on each floor will be a return air plenum.

Sound control is important between legislative suits. As such the walls will go full height for each of the suites and the corridors. An air transfer opening with a sound lined transfer boot will be located above the ceiling at the entry door of each suite to allow return air to transfer to the space above the corridor ceiling and back to the ventilation shaft.

The VAV system will be sized to cool the building using 55 degree F supply air in the ductwork distribution system. The VAV system supply air temperature will be reset based upon the air temperature required to cool the hottest room. The air

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handling unit fan will modulate up or down as needed to meet the required demand load. The fin tube radiation will be controlled with the local VAV box and coil in sequence to maintain a comfortable space temperature.

Air distribution will include multiple types of inlet/outlets for the various building areas. Flow bar style diffusers are anticipated for the legislative offices and common areas supply air. A combination of flowbar and 4-way throw diffusers will supply air to the remainder of the spaces. A combination of eggcrate and bar grilles are anticipated for return and exhaust.

The packaged rooftop unit will include relief fans to ensure air turnover during economizer operation. The relief fans will include a variable frequency drive to allow capacity modulation to maintain a +0.05" (adjustable) pressure differential between the indoor and outdoor.

The main restrooms rooms, break rooms, janitor closets and other similar spaces in the facility will be served by a roof mounted variable speed domex exhaust fan. The exhaust fan will be scheduled to operate during the owner's occupied/unoccupied schedule. Ductwork will be slightly oversized to allow the addition of exhaust requirements in the future. This will allow exhaust modifications by simply rebalancing the system.

Communication closets and AV Room areas will be provided with a dedicated cooling exhaust air fan with transfer air duct to maintain space temperature. The exhaust fan will draw air from the occupied space and discharge the air into the return air plenum above the ceiling. A close on rise thermostat will start the exhaust fan when temperature rises above set point and shut off the fan when the set point is achieved. The dedicated exhaust fan will be capable of 24/7 operation allowing cooling of the communication closets when main building air handling units are shut off during unoccupied modes.

The lift station enclosure room located in the basement will include a dedicated exhaust fan that is extended to discharge to the exterior of the building. The fan will be sized to provide a minimum of 5 air changes per hour and will operate continuously.

IT Room Cooling:

The IT room will be provided with two completely redundant cooling systems. Each cooling system will be sized to meet 100% of the cooling load (plus some expansion) to allow back-up should one unit fail. This will also allow one unit to be taken down for service without affecting operation of the IT Room computer equipment.

Each cooling system will be specified to include humidification and dehumidification capability to maintain the space between 30% and 50% relative

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humidity. Condensate will be pumped (or drain by gravity if possible) to an indirect waste location in the facility.

Each cooling system will include a remote dry cooler and duplex pump package to provide free cooling when outside air temperatures are suitable. The dry coolers (or a single two circuit dry cooler) will be located in the adjacent parking garage. Glycol piping will extend between the dry cooler(s) and the cooling units in the IT Room to transfer rejected heat from the IT Room to the exterior. During winter operation a cooling coil in the unit provides cooling. During the summer the heat rejected from the operating compressors is rejected to the exterior using the drycooler.

The system will utilize a 50/50 mixture of propylene glycol and water and will include a glycol fill tank and expansion tank. (deleted "air separator." We don't typically install air separators on dry coolers)

Snowmelt:

The owner is providing snowmelt for three areas of the building: the front entry/sidewalk, the South rear entry/loading area and the parking garage ramp for safety and reduced snow removal and icemelt use. This will reduce maintenance of high traffic areas in the building. The first two areas can be combined and supplied from a single snowmelt boiler located in the first floor mechanical room located at the South end of the building. An alternate approach under consideration will be to provide a heat exchanger and snowmelt pump at each snowmelt location and provide the energy for melting snow from the main boiler system that supplies the building.

If a separate boiler is used it will be a gas fired sealed combustion high efficiency boiler. The boiler will supply heat into a snowmelt piping distribution loop that extends to each of the snowmelt areas. A snowmelt distribution manifold will supply tubing loops at each snowmelt location. Snowmelt tubing will typically be 5/8" diameter located 6" on center (over insulation) but embedded in the slab.

A stand alone Tekmar controller would operate the distribution pumps and enable the boiler in sequence to melt snow in the two locations. A snowmelt sensor located in each of the areas can be employed to automatically start/stop the system and control idle mode between snowfalls.

Insulation:

The building will be designed in accordance with LEED concepts. Insulation for piping, ductwork, and equipment will be in accordance with the International Energy Conservation Code (IECC). Supply air ductwork located in the return air plenum above the ceiling plenum will require insulation. Insulation will also be

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installed on the air separator, as well as valves/hydraulic specialties larger than 2" diameter.

Controls:

A microprocessor based direct digital control (DDC) system will be specified for the facility. The control system will be performance specified by the engineer to meet the sequence of operations listed in the contract documents. The control system will be specified to be a Trane Tracer Building Automation system.

The control system will include a full graphics package to allow point and click access for control of mechanical system.

The boiler system will be specified to include a package boiler controller. The boiler controller will communicate with the building DDC system to provide alarm information only.

The rooftop HVAC unit and VAV boxes can be provided complete with Trane Tracer controls to seamlessly integrate into the DDC network. The main building exhaust fan would also be controlled by the DDC system.

Remaining equipment such as unit heaters, cabinet unit heaters, communication closet exhaust fans, will be controlled with standalone electric/electronic controls that do not require connection to the DDC system.

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Exhibit A – LIO Electrical Narrative

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ELECTRICAL AND TELECOMMUNICATIONS DESIGN NARRATIVE
LIO ANCHORAGE STATE LEGISLATIVE OFFICE BUILDING RENOVATION

Scope of Work Basis of Design

Design and construction of the facilities will comply with the latest publications identified under the References section. In addition the apparatus, equipment, materials, and installation will conform to the standards of the National Electrical Manufacturers' Association (NEMA), Underwriters' Laboratories, Inc. (UL)*, the Institute of Electrical and Electronic Engineers (IEEE), the Illuminating Engineers Society (IES), and the Occupational Safety and Health Administration (OSHA). *All electrical devices and equipment will be listed by an acceptable certified testing laboratory.

The design will include calculations supporting the designed fault interrupting capacities, calculations supporting the total connected building load, panel loads and estimated building and panel feeder voltage drops.

The electrical design and construction will include, but is not limited to:

- Main distribution switchboards consisting of metering equipment and overcurrent protection for distribution and branch circuit panels.
- Feeders to distribution and branch circuit panels.
- Branch circuit panels for power, lighting, HVAC, etc.
- Branch circuit wiring systems for equipment, lighting, duplex receptacles, appliances, motors, motor starters, etc., as required.
- Wall switches, duplex receptacles and other wiring devices.
- All hangers, anchors, sleeves, chases, support for fixture, and electrical materials and equipment.
- Interior lighting fixtures, controls complete with all lamps.
- Wiring and connections to all equipment furnished by the owner.
- Exterior lighting and controls.
- Telecommunication system.
- Fire Alarm system with monitoring of sprinkler system.
- Door Access.
- CCTV System.
- Cable TV system.

References

The following electrical codes and standards will be applicable to the electrical design of the facility:

- International Building Code (IBC)
- International Residential Code (IRC)
- Illumination Engineers Society (IES) Lighting Handbook
- NFPA 101 Life Safety Code
- NFPA 70 - NEC National Electrical Code
- NFPA 72, National Fire Alarm Code
- TIA/EIA 568A, Commercial Building Telecommunications Cabling Standard
- TIA/EIA 568B, Commercial Building Telecommunications Wiring Standard
- TIA/EIA 569A, Commercial Building Telecommunications Pathways and Spaces
- TIA/EIA 600, The Administration Standard for the Telecommunications Infrastructure of Commercial Buildings
- TIA/EIA-606
- TIA/EIA 607, Commercial Building Grounding and Bonding Requirements for Telecommunications

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Design and construction of the facility will comply with the latest publications identified under the References section. In addition the apparatus, equipment, materials, and installation will conform to the standards of the National Electrical Manufacturers' Association (NEMA), Underwriters' Laboratories, Inc. (UL)*, the Institute of Electrical and Electronic Engineers (IEEE), the Illuminating Engineers Society (IES), and the Occupational Safety and Health Administration (OSHA).

*All electrical devices and equipment will be listed by an acceptable certified testing laboratory.

Power Distribution

Electrical Service

The current service is a 208V 3 Phase 1200 Amp. It is planned to replace the existing electrical service with a new 2500 Amp 208 Volt or a 1200 Amp 480V 3 phase service depending on which proves more cost effective. Verizon has existing equipment on the roof which must remain functional during the remodel. The load is 200 Amp 208V single phase and includes a natural gas fire generator.

Service Equipment - Main Distribution Switchboard

Service entrance equipment will be dead front construction, equipped with circuit breakers and sized to accommodate 125% of building load. The building loads will be metered at the service entrance equipment. Meter will be digital and equipped with communication port for future remote energy monitoring. The digital meter will provide as minimum voltage and amps each phase, KW/KWH demand, KVA and usage. Meter provided will be equipped with an output connection to transmit the signal to a remote location via telephone lines at a later date. Transient voltage surge suppressor will be provided at the service equipment. Surge suppressor will meet the requirements of IEEE C62.41 and be UL listed and labeled as having been tested in accordance with UL 1449.

Standby Power

A 150 KW standby power generator is planned to be installed on the alley side of the building. Generator to be installed in a weatherproof enclosure. An integral sub base fuel module will be provided in the unit.

A single 600 Amp 4 pole automatic transfer switch with distribution for the elevators, telecommunication equipment in each telecom room, heating equipment, partial lighting and misc power receptacles deemed critical.

Interior Electrical Power Distribution

Complete interior electrical distribution system will be provided as required by the National Electrical Code. Voltage drop will be in accordance to National Electrical recommendation. An electrical room will be provided on each floor. Each floor will be provided with a 480Y/277V lighting panel and two 208Y/120V power panel for receptacles etc. Outlets in all office suites will exceed code and will be placed on office suite demising walls perpendicular to exterior walls to accommodate at least four workstations per office.

Panelboards

All panels will be sized for the load served plus 25% spare capacity and 15% space. Only bolt-on circuit breakers will be used. All panels located in finished areas will be recessed and all panels and conduits located in unfinished areas will be surface mounted. Separate electrical rooms will be provided to the greatest extent possible and on each floor of multi-story buildings.

Conduit and Raceways

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All interior wiring in the building will be run in conduit. Raceways will be specified of the type suited for the applications and locations. Raceways installed for future systems will include pull wire. To the maximum extent practical, conduit will be installed concealed in all areas except utility spaces.

Conductors

Conductors will be copper. Conductor #12 or smaller will be solid. Conductor #10 or larger will be stranded. All building wiring (line-voltage between 100-600 volts) will have type THHN, or XHHW 75 ° C (167 ° F) insulation and be rated at 600 volts unless some other type is specifically required for a particular application. Power conductors will not be smaller than #12 AWG.

A separate insulated grounding conductor will have green color or marking insulated and be sized and installed per NEC requirements, in all secondary, distribution, feeder and branch circuit conduits.

Branch Circuits for Receptacle and Lighting Circuits

Lighting and convenience outlets will be run on separate circuits. Dedicated circuits for loads greater than 50% of the circuit capacity will be provided.

Circuits for computers and electronic devices will be designed to have a dedicate neutral and the panels and transformers rated accordingly.

Devices

All duplex receptacles will be 20 amp, 125 volt, three pole grounded type specification grade duplex receptacles NEMA 5-20R are acceptable unless type of equipment requires different configuration. Impact resistant plastic plates will be provided for boxes and devices. Ground fault interrupt (GFI) type duplex receptacles will be provided in locations as required by the NEC and provided with weatherproof device plate covers at exterior locations. At least one GFI receptacle will be provided in each restroom and janitor's closet. Arc-fault circuit interrupter protection will be provided in accordance with NEC.

Provide the minimum power outlets required by NEC but not less than a duplex outlet on each wall. In office and administration areas provide double-duplex receptacles at each location and near a data outlet.

Lighting

Exterior Lighting

General

All lighting shall comply with the recommendations of the Illumination Engineering Society of North America (IESNA). All exterior site and area lighting will be LED.

Interior Lighting

General

Illumination levels will be in accordance with the recommendations of the latest Illuminating Engineering Society (IES) Lighting Handbook.

The lighting systems will be designed to provide comfortable visibility conditions having adequate intensities for the safe and effective accomplishment of the tasks to be performed. The finish and color of room surfaces will be coordinated with the lighting system design to reduce glare, increase light utilization, and attain an acceptable brightness ratio recommended by Illuminating Engineering Society (IES) Lighting Handbook. Light sources and fixtures will be selected to provide the most efficient and economical system practicable. Lineal fluorescent and compact fluorescent lighting will be provided as the primary source of illumination. Lighting calculations will be based on the actual finish material reflectance or a maximum of

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80% for ceiling, 50% for the wall and 20% for floor whichever is lower. Light fixture schedules including lamp type, voltage, wattage, type of mounting, manufacturer name and catalog number will be provided.

All conference rooms will include 5% dimming ballast.

Refer to architectural reflected ceiling plans and catalog cuts for additional information.

Lighting Control

Control switches for general room lighting will be located at room entrances and other locations for control of lighting fixtures and systems. Typically, rooms with more than one door will have three or four-way switches as required.

Emergency Lighting System

Emergency lighting will be provided per NFPA 101. Emergency lighting will be designed as an integral part of the facility lighting system, and will be incorporated as part of the system lighting fixture. As a minimum, emergency lighting will be provided for building corridors, stairs and common areas.

Exit Signs

Exit signage will conform to NFPA 101. Exit signs will be glass green edge light emitting diode (LED).

Grounding

Provide a building grounding electrode system consisting of a ground ring, metal underground water pipe, building structural steel, concrete encased electrodes, and copper clad steel rod electrodes. A ring ground of #1/0 AWG bare copper buried within the building foundation interconnecting to a 3-meter minimum length ground rods and foundation every interior/exterior corner 2 meters from the building.

All line voltage circuit wiring will contain a separate bare or green insulated grounding conductor. Conduit raceways will not be utilized as the only grounding method. A min #6 AWG copper will be provided from service equipment ground to main telecommunication closet per TIA/EIA 607 requirements.

Other Requirements

Mechanical Connections

Mechanical connections for mechanical equipment. See mechanical narrative.

Provide option to provide power for fire pump as sized by mechanical engineer.

Conference Rooms

Conference rooms will include wall flat screens with network connections, laptop interface, video conferencing and power/telecom under the conference tables.

Lighting in conference room will be dimmable.

Seismic and Testing Requirements

Design, calculations, and testing of all seismic requirements for electrical and communications equipment shall be provided. All electrical equipment shall be tested in accordance with applicable specification for each type of equipment. Testing shall include any required factory testing, field testing, and operating testing. As a minimum, testing shall include, transformers, wiring, switches, light fixtures, circuit breakers, contactors, and head bolt outlets.

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Telecommunications (Voice and Data)

Cat 6 horizontal Telecommunication cabling system will be provided with all cables routed back to dedicated telecommunication room on each floor.

Vertical Telecommunication system will include 200 pair copper voice cable and 24 strand fiber optic riser.

Distribution will be design in compliance with ANSI/EIA/TIA standards. The telecommunications system will be complete and include the telephone/data and cable system backboards, punch down blocks, and all associated raceways, cable tray, j-hooks, outlets and cabling.

Equipment racks shall be floor mounted 19 inch wide. Provide minimum 50 foot-candle lighting level and minimum two dedicated 20-ampere 110 volt power branch circuits in the communications room. A wall-mounted telephone near the entry door of each main communications rooms will be provided.

Cable tray will be used for interior distribution of com systems.

Provide 24 port, rack mounted fiber optic patch panel with coupling plates and ST connector ports
Distribution of fiber optic cables throughout the new building will be by others.

Copper cable distribution shall be 4-pair 24 AWG, 100-ohm unshielded twisted pair (UTP) in 1 inch conduit. All copper pairs and fiber optic strands shall be terminated and tested. Copper connectors will be EIA/TIA Cat 6 8-pin/8-position insulation displacement terminations wired per T568B. Fiber optic connectors will be EIA/TIA "SC" type 568SC. A minimum of two 8-pin modular RJ45 type connectors will be provided in each outlet box. In finished areas standard outlet boxes will be 4-11/16 x 4-11/16 double gang electrical box with the faceplate flush with the wall surface. In unfinished areas the outlets shall be surface mounted.

One outlet in each main mechanical and electrical room of the buildings for official communications. Communications outlets will be provided in all private offices, platoon offices, conference rooms. Number of outlets will be per the requirements of the RFP in each area.

Cable TV (CATV) System

Cable television connection will be provided to all buildings. Service will be coordinated with GCI. Each office suite and conference rooms will include outlets.

Fire Alarm

The building will be equipped with an addressable fire alarm system with a fire alarm panel and dialer panel
A remote annunciator will be provided at the building entrance.

Access Control System

Door access control system will be required for approximately 20 doors. System to be compatible with existing State of Alaska systems at other facilities.

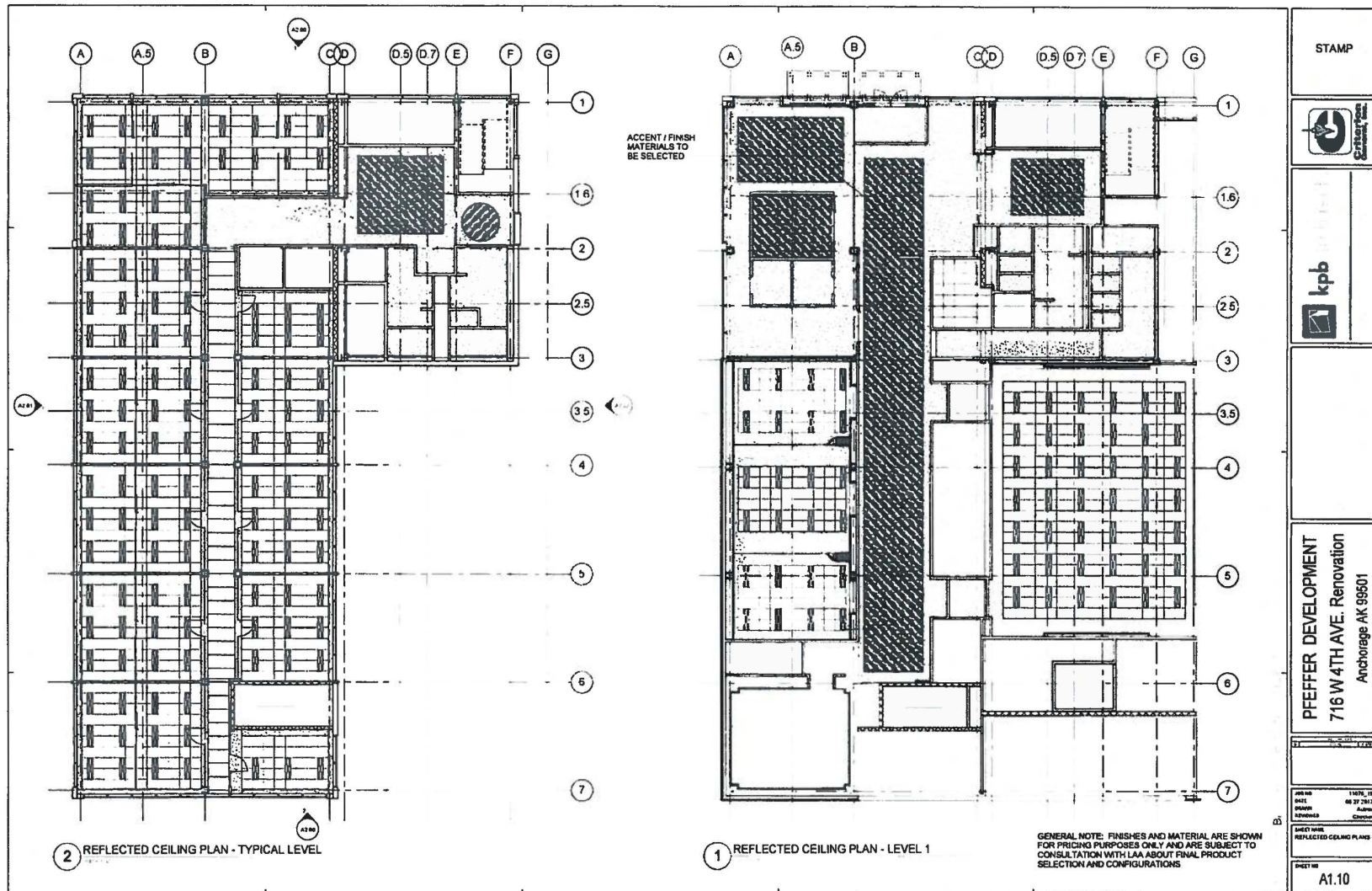
CCTV Security

A CCTV system will be required with an assumed 20 cameras with recording DVR's for a 2 week period.

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Exhibit A – LIO Reflected Ceiling Plans

See 9/19/13



Ref 9/11/11

Exhibit A – LIO Structural Plans Narrative

Doc 9/19/12

Legislative Information Office (LIO) Building Renovation

Structural Narrative

08-28-13

Existing Construction

The existing legislative information office building is a 7-story (6-story + 1-story basement) building located in downtown Anchorage, AK. No as-built or original construction drawings are available for this building. All the information below is based on data accumulated in the field and assumptions based on typical construction techniques.

The existing gravity-resisting system starts with concrete on metal deck floors, supported by steel bar-joists. The floor decks are typically 1.5-inch metal deck with concrete topping between 3.5 and 4.5 inches thick for a total average thickness of 5.5-inches. The roof uses the same deck and concrete as the floors. The typical floor and roof framing are steel bar joists spanning in the north-south direction between girders. The joists are 14 to 18-inches deep, spaced at 24-inches on-center, and span 20 to 27-feet. The girders and columns supporting the steel bar joists are steel wide-flange moment frames oriented in the east-west direction and are located in seven lines spaced over the length of the building. The girders are 24-inches deep (W24) and the columns are 14-inches wide (W14).

The exterior walls on the east and west sides are 8-inch thick cast-in-place concrete shear walls for the full height of the building. On the north side, the wall consists of a precast and glazing system. On the south wall, the exterior wall is a panelized exterior system similar to an exterior insulated finishing system (EIFS).

The basement floor is 12-feet below the first floor and is a concrete slab on grade that is 2-feet below the grade of the parking garage on the west side, and 3.5-feet below the basement of the Anchor Bar on the east side. Large grade beams run north-south along the sides of the building supporting the 8-inch concrete walls above and the columns along Grids A & C (east and west sides).

At the southwest corner of the first floor, a concrete vault (used by the previous bank tenant) anchors the corner of the building. The first floor is 21-feet tall, while the other stories are 12.75-feet tall. The roof has two penthouses on top; one toward the north end for the elevator; and one on the south side for the mechanical units. In addition, a cell-phone antenna has recently been added on the roof between the penthouses.

The existing lateral system is separated by direction. In the east-west direction, the lateral system is steel moment frames, with W14 columns and W24 beams at each numbered grid. The connections between the beams and columns are referred to as "Pre-Northridge Welded Unreinforced Flange, Welded Web" connections (Pre-Northridge WUF-W). These connections weld the top and bottom flange, as well as the web, of the beam to the column flange. These welds have exhibited low ductility behavior during past seismic events in California over the last 20 years. These types of connections have now been prohibited by the building code without specialized detailing to make them more ductile. Ductile behavior is

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important in buildings, because preventing collapse of buildings after an earthquake is a function of not just the building's strength, but also its ductility.

In the north-south direction, the lateral system is concrete shear walls on the east and west sides. When originally built, these walls were solid for their entire length. In a previous renovation, windows were cut in these walls to bring daylight into the building. No calculations are available for the renovation, so it is unclear whether any strengthening measures were undertaken to verify or enhance the capacity of the perforated shear walls.

Proposed Renovation

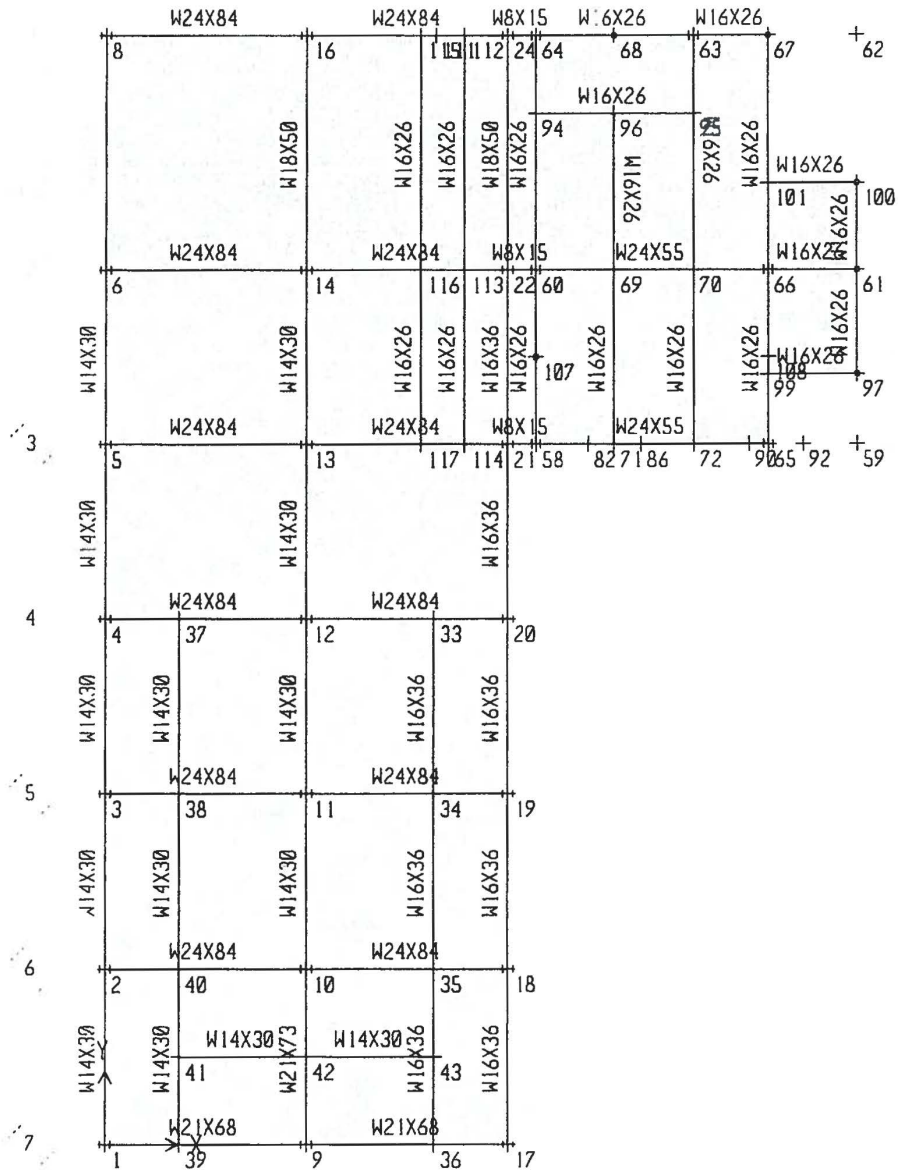
The proposed renovation consists of removing the Anchor Bar from the east side of the building, removing the east and west concrete walls from the existing building, and removing the existing north elevator and stair core (along with the northern penthouse). When these items are removed, the east side addition will be in-filled with a new meeting and hearing space on the basement and first floors, and a six story elevator and stair core on the north end.

During the demolition process, new shoring will be required along the northern edge of the Anchor Bar (along 4th Ave) and on the eastern side (adjacent to the existing building) to retain the basement and foundation excavation for the new building, which is expected to be 15 to 16 feet deep. This shoring will likely consist of steel piling with lagging between piling and will be permanent.

Since the usage and loads in the existing building are not changing, the gravity load resisting system in the existing building is adequate for the new gravity loads and only needs to be modified where the north core stairs and elevator are being removed. The gravity system in the new portion of the building will be tube-steel and wide-flange columns with wide-flange beams. The new floor and roof framing will be concrete on metal deck and supported by wide-flange beams. The foundation of the 6-story tower portion will be a thick concrete mat foundation (approximately 3-feet thick) and with the remainder of the new addition being founded on Isolated concrete footings.

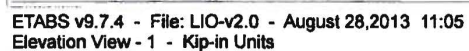
The lateral-load resisting system in the existing building is being completely revised in this renovation. The moment frame connections in the east-west direction are inadequate under current codes, and the concrete walls in the north-south direction are being removed to allow for new curtain wall. To replace the lateral system, new buckling restrained braced frames (BRBF) will be added in both the existing and new portions of the building. Since the entire system is being updated, the new and existing portions of the building will be combined and no seismic joint will be used. BRBF's are an advanced braced frame system that equalizes the braces capacity in both compression and tension, which creates a more balanced response to seismic forces and creates a significantly more ductile response. These braces will be welded and bolted to the existing and new steel frames in three bays in both the north-south and east-west directions.

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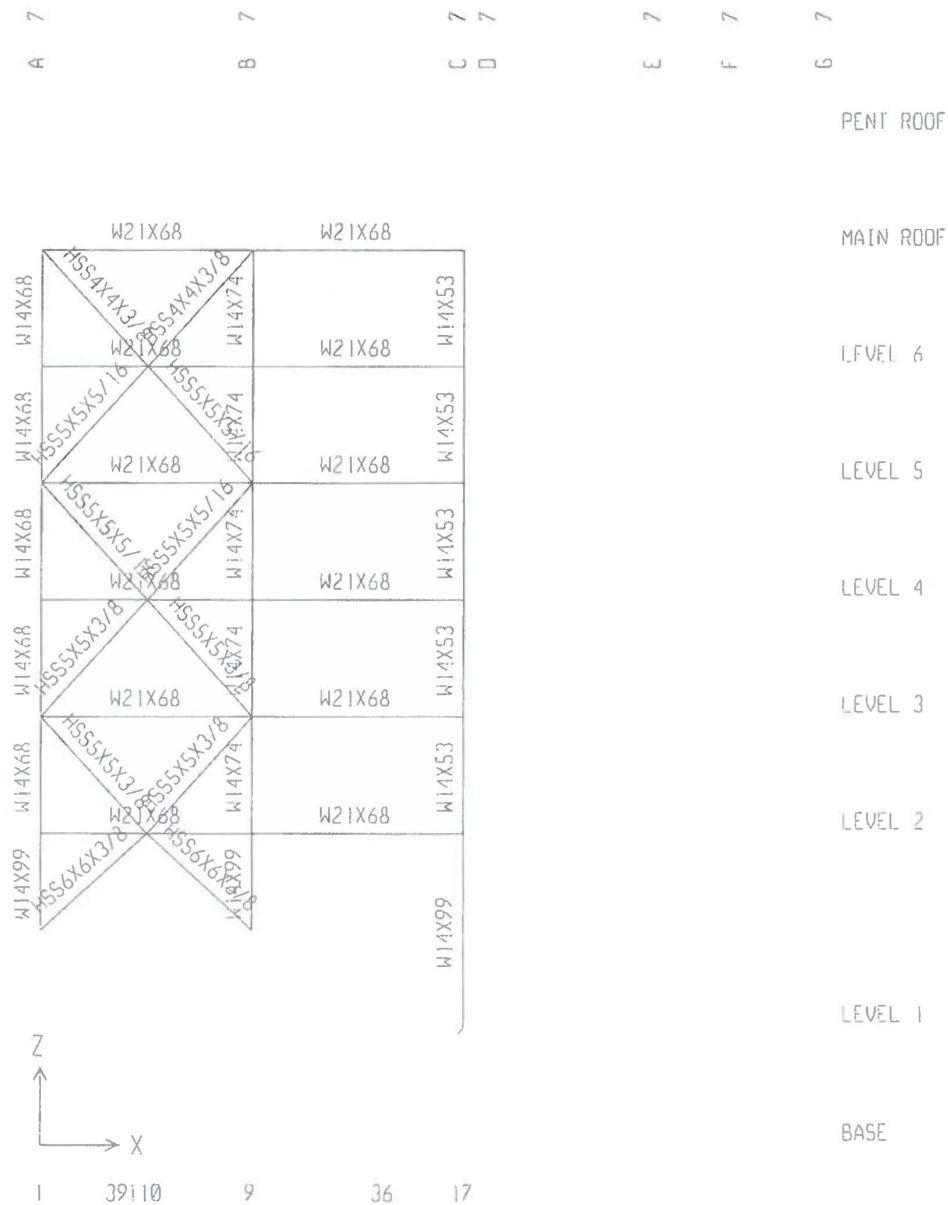


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Plan View - MAIN ROOF - Elevation 1171 - Kip-in Units

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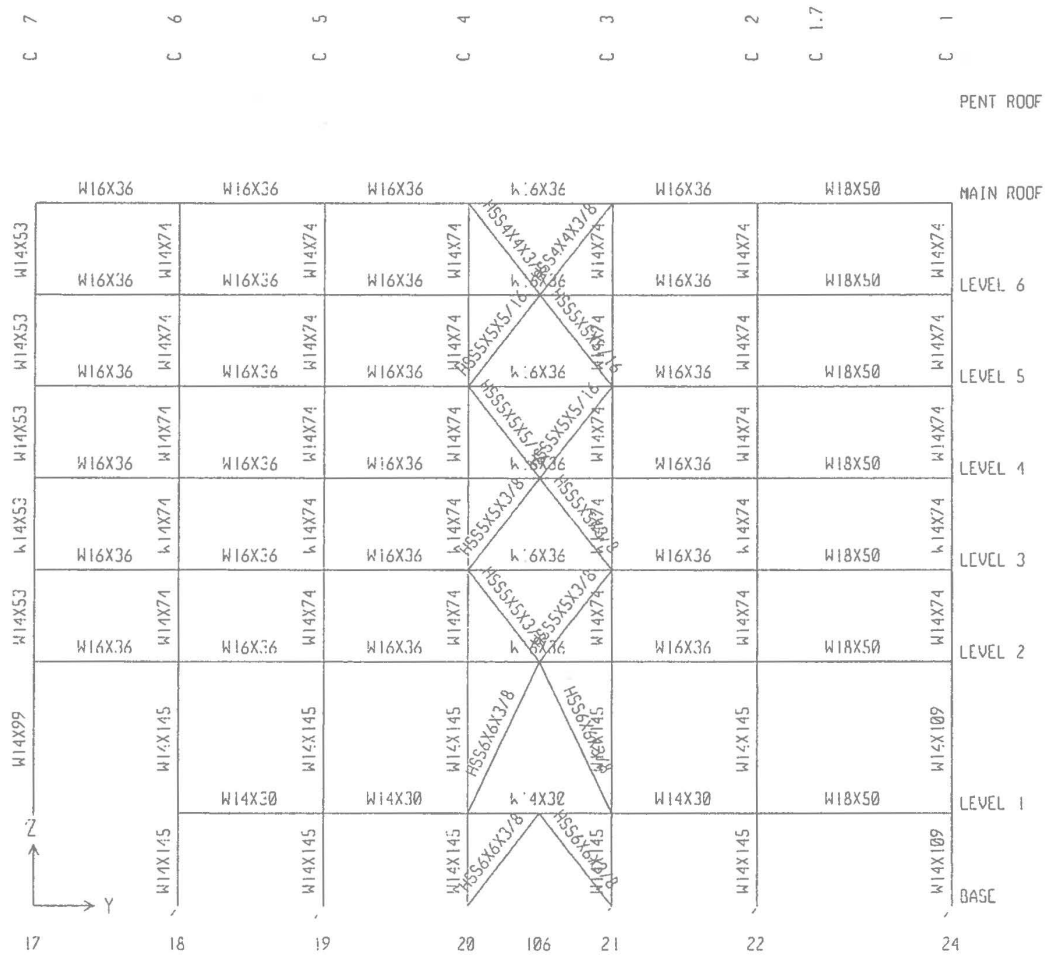


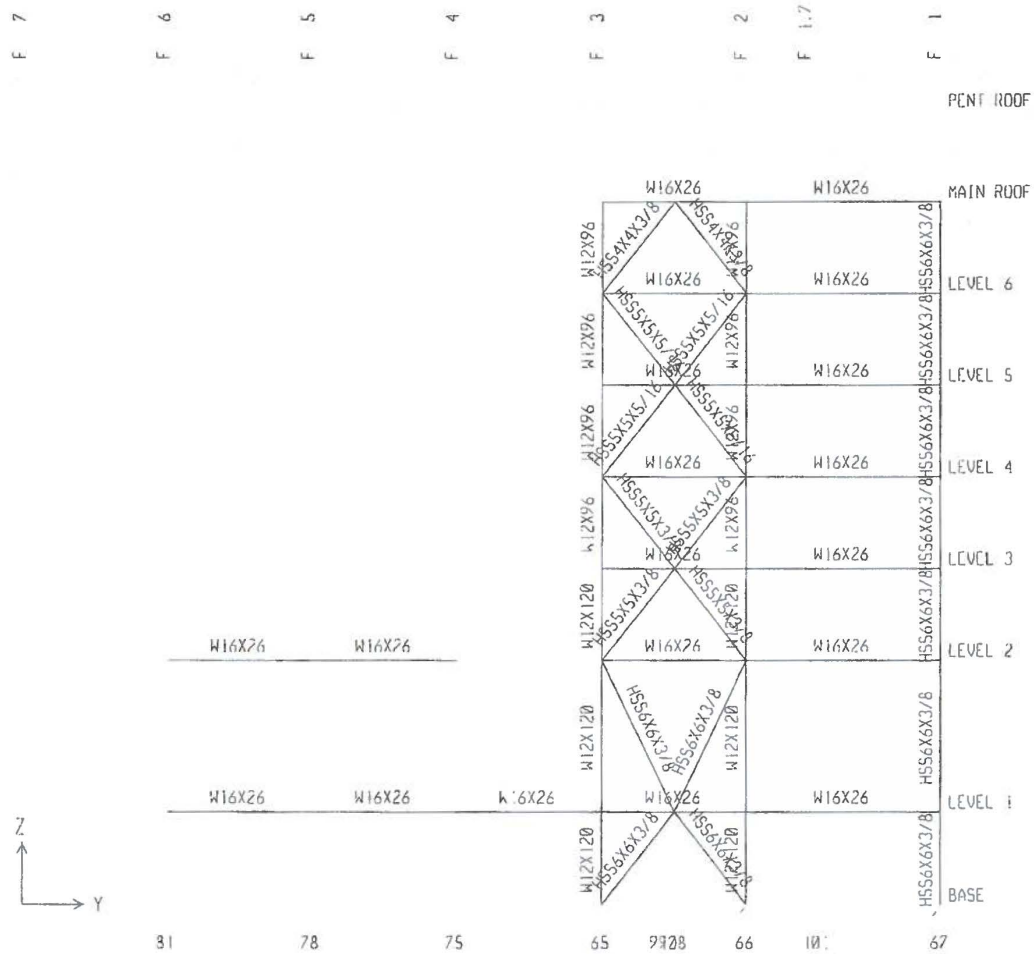
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Elevation View - 7 - Kip-in Units

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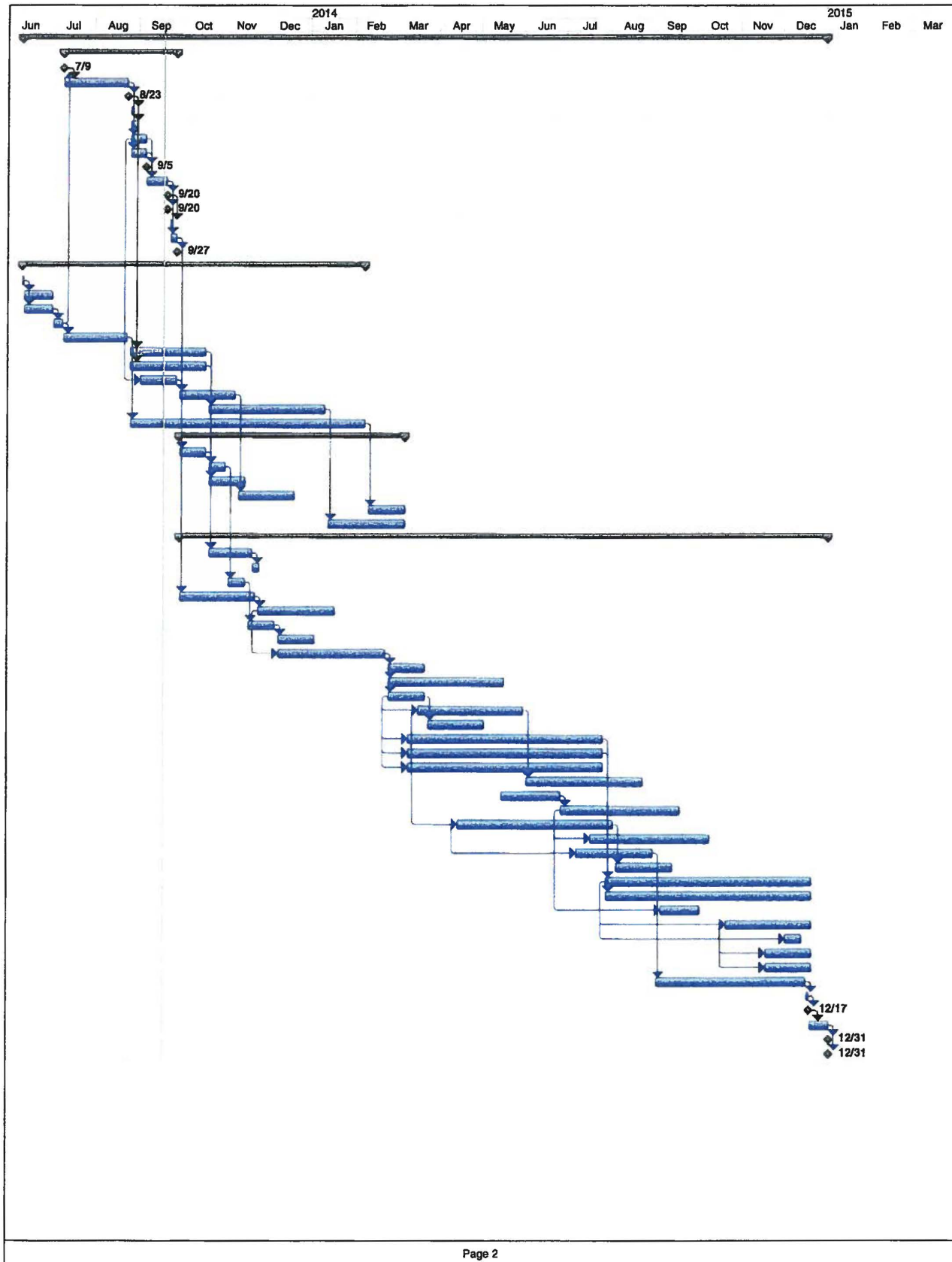
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EXHIBIT B

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ID	Task Name	Duration	Start	Finish	Predecessors	Feb	Mar	Apr	May
1	LIO Building	407 days	Tue 6/11/13	Wed 12/31/14					
2	Financing	58 days	Tue 7/9/13	Fri 9/27/13					
3	Concept Design and Pricing to AHFC	0 days	Tue 7/9/13	Tue 7/9/13 21					
4	Lease Rate and Scope Discussions with Legislature	33 days	Wed 7/10/13	Fri 8/23/13 3					
5	NTP to Design Build Team to progress drawings	0 days	Fri 8/23/13	Fri 8/23/13 4					
6	Design and Schedule Exhibits to AHFC	2 days	Mon 8/26/13	Tue 8/27/13 5					
7	Added Garage Deck Proposal	5 days	Mon 8/26/13	Fri 8/30/13 5					
8	Deal Term discussion with Legislature	9 days	Mon 8/26/13	Thu 9/5/13 4					
9	Appraiser Meetings	9 days	Mon 8/26/13	Thu 9/5/13 4					
10	Finalize Deal Terms	0 days	Thu 9/5/13	Thu 9/5/13 8					
11	Final Appraisal	11 days	Fri 9/6/13	Fri 9/20/13 9					
12	Execute Lease amendment	0 days	Fri 9/20/13	Fri 9/20/13 11					
13	Close on Anchor Pub Finacing	0 days	Fri 9/20/13	Fri 9/20/13 11					
14	Close on Anchor Pub acquisition	1 day	Mon 9/23/13	Mon 9/23/13 12					
15	Close on Construction Loan	5 days	Mon 9/23/13	Fri 9/27/13 11					
16	Final Construction NTP	0 days	Fri 9/27/13	Fri 9/27/13 15					
17	Design	174 days	Tue 6/11/13	Fri 2/7/14					
18	Design Kick-off meeting	1 day	Tue 6/11/13	Tue 6/11/13					
19	Geotechnical and Survey	15 days	Wed 6/12/13	Tue 7/2/13 18					
20	15% Design core and Shell and TI Scope	15 days	Wed 6/12/13	Tue 7/2/13 18					
21	Stlp Sum Pricing	5 days	Wed 7/3/13	Tue 7/9/13 20					
22	Scope Adjustments	33 days	Wed 7/10/13	Fri 8/23/13 21					
23	100% Structural Building Design	40 days	Mon 8/26/13	Fri 10/18/13 5					
24	65% Design core and shell	40 days	Mon 8/26/13	Fri 10/18/13 5					
25	Temporary Relocation Space Design	20 days	Mon 9/2/13	Fri 9/27/13 8SS+5 days					
26	95% Design core and shell	30 days	Mon 9/30/13	Fri 11/8/13 25					
27	Added Garage Deck Design	60 days	Mon 10/21/13	Fri 1/10/14 24					
28	95% TI Design	120 days	Mon 8/26/13	Fri 2/7/14 22					
29	Permitting	115 days	Mon 9/30/13	Fri 3/7/14					
30	Temporary Space TI Permit	15 days	Mon 9/30/13	Fri 10/18/13 25					
31	Demolition Permit	10 days	Mon 10/21/13	Fri 11/1/13 24					
32	Structural Shell Permit (needed for LIO Demo)	20 days	Mon 10/21/13	Fri 11/15/13 23					
33	Core and Shell Permit	30 days	Mon 11/11/13	Fri 12/20/13 26					
34	TI Permit	20 days	Mon 2/10/14	Fri 3/7/14 28					
35	Garage Deck Permit	40 days	Mon 1/13/14	Fri 3/7/14 27					
36	Construction	328 days	Mon 9/30/13	Wed 12/31/14					
37	Build Out Temporary Space	23 days	Mon 10/21/13	Wed 11/20/13 30					
38	Relocate Legislature and LIO	3 days	Thu 11/21/13	Mon 11/25/13 37					
39	Bar Demolition	10 days	Mon 11/4/13	Fri 11/15/13 31					
40	Crane Mobilization	40 days	Mon 9/30/13	Fri 11/22/13 15					
41	LIO Building Demo	40 days	Mon 11/25/13	Fri 1/17/14 40					
42	Shoring on Bar Site	15 days	Mon 11/18/13	Fri 12/6/13 39					
43	Foundation construction	20 days	Mon 12/9/13	Fri 1/3/14 42					
44	Structural Steel/Siesmic Refit	55 days	Mon 12/9/13	Fri 2/21/14 41SS+10 days					
45	Site Utility Work- Building foundation	20 days	Mon 2/24/14	Fri 3/21/14 44					
46	Exterior Skin/curtain wall	60 days	Mon 2/24/14	Fri 5/16/14 44					
47	Membrane Roofing/Insulation	20 days	Mon 2/24/14	Fri 3/21/14 44					
48	Interior Framing	55 days	Mon 3/17/14	Fri 5/30/14 47SS+15 days					
49	Stair Construction	30 days	Mon 3/24/14	Fri 5/2/14 47					
50	Electrical Rough In	100 days	Mon 3/10/14	Fri 7/25/14 47SS+10 days					
51	Mechanical Rough In	100 days	Mon 3/10/14	Fri 7/25/14 47SS+10 days					
52	HVAC Rough in	100 days	Mon 3/10/14	Fri 7/25/14 47SS+10 days					
53	Elevator Installation	60 days	Mon 6/2/14	Fri 8/22/14 48					
54	Site utility Work - In ROW	30 days	Thu 5/15/14	Wed 6/25/14					
55	Garage Deck foundation and structural work	60 days	Thu 6/26/14	Wed 9/17/14 54					
56	Gypsum Wall board	80 days	Mon 4/14/14	Fri 8/1/14 48SS+20 days					
57	Garage Deck architectural, mechanical and electrical	60 days	Thu 7/17/14	Wed 10/8/14 55SS+15 days					
58	Interior Taping and Painting	40 days	Mon 7/7/14	Fri 8/29/14 56SS+60 days					
59	Grid/Gyp Ceilings	30 days	Mon 8/4/14	Fri 9/12/14 56					
60	Electrical Trim	105 days	Mon 7/28/14	Fri 12/19/14 50					
61	Mechanical Trim	105 days	Mon 7/28/14	Fri 12/19/14 51					
62	Alley Paving, Sidewalk concrete, Landscaping	20 days	Thu 9/4/14	Wed 10/1/14 55SS+50 days					
63	Flooring	45 days	Mon 10/20/14	Fri 12/19/14 60SS+60 days					
64	Elevator finishes	10 days	Mon 12/1/14	Fri 12/12/14 60SS+90 days					
65	Casework Install	25 days	Mon 11/17/14	Fri 12/19/14 63SS+20 days					
66	Doors and Hardware	25 days	Mon 11/17/14	Fri 12/19/14 63SS+20 days					
67	Finishes	76 days	Mon 9/1/14	Mon 12/15/14 58					
68	Final Cleaning	2 days	Tue 12/16/14	Wed 12/17/14 67					
69	Substantial completion/CCO	0 days	Wed 12/17/14	Wed 12/17/14 68					
70	Tenant FF&E	10 days	Thu 12/18/14	Wed 12/31/14 69					
71	Tenant Occupancy	0 days	Wed 12/31/14	Wed 12/31/14 70					
72	Final Completion/CO	0 days	Wed 12/31/14	Wed 12/31/14 70					

See 9/19/15



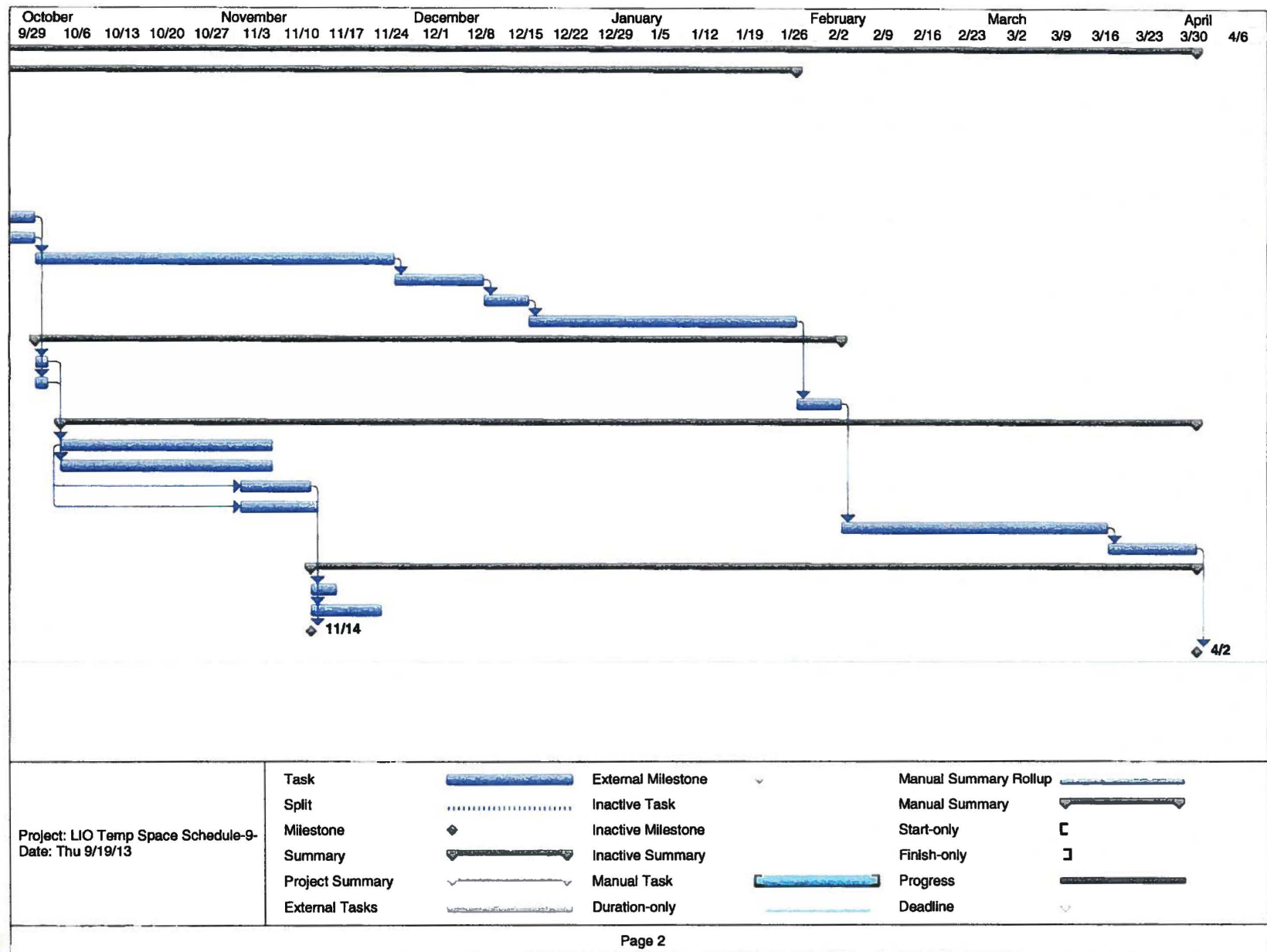
Due 9/19/13

EXHIBIT B-1

Doc 9/19/13

ID	Task Name	Duration	Start	Finish	8/18	8/25	September	9/1	9/8	9/15	9/22
1	LIO Interim Space Schedule	153 days	Mon 9/2/13	Wed 4/2/14							
2	Design	108 days	Mon 9/2/13	Wed 1/29/14							
3	Immediately available space programming - 733 W 4th	3 days	Mon 9/2/13	Wed 9/4/13							
4	Immediately available space programming 425 G Street 7th floor	3 days	Mon 9/2/13	Wed 9/4/13							
5	Meeting with LIO Staff to refine program	2 days	Thu 9/5/13	Fri 9/6/13							
6	Refine Draft layout of LIO Space	3 days	Mon 9/9/13	Wed 9/11/13							
7	Draft Layout of legislature office space	3 days	Mon 9/9/13	Wed 9/11/13							
8	Meeting with LIO Staff to Approve plan	0 days	Wed 9/11/13	Wed 9/11/13							
9	Permit Drawings - 733 W. 4th	15 days	Thu 9/12/13	Wed 10/2/13							
10	Permit Drawings 425 G Street	15 days	Thu 9/12/13	Wed 10/2/13							
11	Locate Other available spaces for legislative offices	40 days	Thu 10/3/13	Wed 11/27/13							
12	Draft Layout - other available spaces	10 days	Thu 11/28/13	Wed 12/11/13							
13	Review Layout with Committee	5 days	Thu 12/12/13	Wed 12/18/13							
14	Permit Drawings - other available spaces	30 days	Thu 12/19/13	Wed 1/29/14							
15	Permits	90 days	Thu 10/3/13	Wed 2/5/14							
16	TI Permit - 733 W. 4th	2 days	Thu 10/3/13	Fri 10/4/13							
17	TI Permit 425 G Street	2 days	Thu 10/3/13	Fri 10/4/13							
18	TI Permit - Other Available Spaces	5 days	Thu 1/30/14	Wed 2/5/14							
19	Construction	128 days	Mon 10/7/13	Wed 4/2/14							
20	LIO Temp Space Construction - 733 W 4th	25 days	Mon 10/7/13	Fri 11/8/13							
21	Temp Space 425 G Street Construction	25 days	Mon 10/7/13	Fri 11/8/13							
22	IT Systems Set-up and Testing 733 W 4th and 425 G Street 7th floor	9 days	Mon 11/4/13	Thu 11/14/13							
23	IT Systems relocation from Current Facility	10 days	Mon 11/4/13	Fri 11/15/13							
24	Construction Legislature office space other location	30 days	Thu 2/6/14	Wed 3/19/14							
25	IT Systems set-up and testing - other location	10 days	Thu 3/20/14	Wed 4/2/14							
26	Moving	99 days	Thu 11/14/13	Wed 4/2/14							
27	Move LIO in to Interim Space	2 days	Fri 11/15/13	Mon 11/18/13							
28	Complete Vacation of existing LIO building	7 days	Fri 11/15/13	Mon 11/25/13							
29	Some Legislative Offices Available in 733 W. 4th	0 days	Thu 11/14/13	Thu 11/14/13							
30	Remainder of Legislature offices available	0 days	Wed 4/2/14	Wed 4/2/14							

Project: LIO Temp Space Schedule-9- Date: Thu 9/19/13	Task		External Milestone		Manual Summary Rollup	
	Split		Inactive Task		Manual Summary	
	Milestone		Inactive Milestone		Start-only	
	Summary		Inactive Summary		Finish-only	
	Project Summary		Manual Task		Progress	
	External Tasks		Duration-only		Deadline	



9/19/13

EXHIBIT C

PROCUREMENT OFFICER'S FINDINGS UNDER LEGISLATIVE PROCUREMENT PROCEDURE 040(d)

Introduction

The purpose of this document is to provide a written determination, in compliance with Alaska Legislative Procurement Procedure 040(d), setting forth in detail the procurement officer's determination supporting material modifications of the Legislature's Lease of the Anchorage Legislative Information Office dated April 6, 2004, recorded in Book 2004-024411-0, Anchorage Recording District, Third Judicial District, State of Alaska, amended March 3, 2009, renewed for the final one-year term on May 20, 2013, which was previously competitively bid under RFP 391 and publicly issued on July 17, 2003, (hereinafter "Lease"). The current Lease will expire on May 31, 2014.

The material modifications to the Lease that are the subject of this written determination were authorized by Legislative Council, and by mutual agreement with the Lessor. The material modifications to the Lease are amending the existing definition of "premises" within Section 1 of the Lease, titled "RENTAL PROPERTY AND RENTAL RATE," by adding the additional property commonly known as 712 West Fourth Avenue, which is immediately adjacent to the existing leased premises at 716 West Fourth Avenue, and amending other sections of the Lease as necessary to allow for the renovation and retrofit of the expanded premises, including but not limited to, a transition to a triple net leasing structure and changes necessary to accommodate renovation of the premises as described in Exhibits A and B of the Lease.

Background

A. Legislative Council's Authorization to Materially Modify Lease

On June 7, 2013, Legislative Council passed the following motions¹ related to the Legislature's Lease of the Anchorage Legislative Information Office dated April 6, 2004, recorded in Book 2004-024411-0, Anchorage Recording District, Third Judicial District, State of Alaska, amended March 3, 2009, renewed for the final one-year term on May 20, 2013, and which will expire on May 31, 2014:

MOTION - AMEND PROCUREMENT PROCEDURE: I move that Legislative Council adopt proposed Amendment No. 12 to the Legislative Procurement Procedure 040 to provide the limited ability for the Legislative Affairs Agency, or a Legislative Committee, to materially modify an existing lease that was previously competitively procured.

MOTION - AUTHORIZE MATERIAL AMENDMENTS TO LEASE: I move that Legislative Council authorize the chairman to negotiate amendments to lease 2004-024411-0 by mutual agreement with the Lessor to remove the limitation of amending a lease that amounts to a material

¹ In addition to the motions set out in the text of these findings, two additional related motions were also passed by Legislative Council on June 7, 2013:

MOTION - LEASE EXTENSION: I move that Legislative Council authorize the chairman to negotiate all the terms and conditions necessary to extend Lease 2004-024411-0 pursuant to AS 36.30.083(a).

MOTION - ENGAGE AHFC (Alaska Housing Finance Corporation) AS LESSEE'S REPRESENTATIVE: I move that Legislative Council authorize the chairman to enter into a contract for payment not to exceed \$50,000, for AHFC to act as the Lessee's representative in negotiating an extension to Lease 2004-024411-0, as amended to include 712 West 4th Avenue, and to assist in managing the Lessor's compliance with the terms and conditions of the Lessor's improvements, as described in the lease extension.

modification in paragraph 42; and to include 712 West Fourth Avenue, with other terms and conditions necessary to accommodate renovations, not to exceed the estimated cost of a similarly sized, located and apportioned newly constructed building as determined by the Alaska Housing Finance Corporation.

B. Requirements of Alaska Legislative Procurement Procedure 040(d)

Legislative Procurement Procedure 040, as amended by Amendment No. 12 and authorized by Legislative Council as set forth in the motion above, added subsection (d), which provides:

(d) A lease that was procured competitively may be materially modified by amendment, and the material modification of the lease does not require procurement of a new lease, if

(1) the reasons for the modification are legitimate;

(2) the reasons for the modification were unforeseen when the lease was entered into;

(3) it is not practicable to competitively procure a new lease;

(4) the modification is in the best interests of the agency or the committee;

(5) the procurement officer makes a written determination that the items in paragraphs (1) - (4) exist, the determination details the reasons for concluding why the items exist, and the determination is attached to the amended lease; and

(6) the use of this subsection is approved by the procurement officer and, in the case of an amendment for the lease of a legislative committee, by a majority of the committee members.

Procurement Officer's Determination Under Legislative Procurement Procedure 040(d)

040(d); Previously Competitively Bid Requirement

As previously discussed, the Legislature's Lease of the Anchorage Legislative Information Office dated April 6, 2004, recorded in Book 2004-024411-0, Anchorage Recording District, Third Judicial District, State of Alaska, amended March 3, 2009, renewed for the final one-year term on May 20, 2013, was previously competitively bid under RFP 391, which was publicly issued on July 17, 2003. Accordingly, under Legislative Procurement Procedure 040(d), the Lease may be materially modified.

040(d)(1); Reasons for the Modification are Legitimate

The decision to modify the Lease is consistent with the purpose of the present Lease, which is to provide office space for the Legislature. These amendments do not alter the essential identity or main purpose of the contract, and do not constitute a new undertaking, and therefore are a legitimate modification of the Lease.

The property at 712 West Fourth Avenue is unique, since it is the only adjacent space to 716 West Fourth Avenue available to satisfy the Legislature's need for additional space, and meets the essential requirement of keeping all the present legislative offices in one building. The addition of 712 West Fourth Avenue allows the Legislature to extend its current Lease as provided under AS 36.30.083(a). Given the uniqueness of the property, and the fact that no other bidder would be able to provide space adjacent to 716 West Fourth Avenue, it would be a waste of private sector resources and legislative procurement resources to competitively bid for the only adjacent property.

The expanded premise will be renovated to meet the needs of the Lessee. In accordance with the expansion of the leased premises, the renovation, and the Lease Extension executed under AS 36.30.083(a), it is necessary to amend material terms of the Lease. Without the modifications, the Lease would not be functional to govern the premises. Given the uniqueness of the property and the ability of the Legislature to have input in the design and function of the renovated building, a competitively bid procurement would be impractical, inefficient, and ultimately, likely unsuccessful in providing premises as suited to the needs of the Legislature.

Accordingly, modifying the Lease by adding 712 West Fourth Avenue to the "premises" and by amending other lease terms to accommodate the expanded premises and the Lease Extension under AS 36.30.083(a) does not subvert the purposes of competitive bidding, and is a legitimate exercise of the Legislature's procurement authority.

040(d)(2); Reasons for Modification Unforeseen When Lease was Entered Into

When the Lease was entered into for 716 West Fourth Avenue in 2004, it was unforeseen that the Legislature would need significant additional space, or that the infrastructure problems with the building would worsen, e.g., the exhausted service life of the HVAC system and the water system, and the elevator failing to handle the demands of staff and public use.

In 2004, based on the Executive Director's Office's best assessment, there were approximately 54 legislative staff working in the building. Today, in 2013, there are approximately 72, which is an increase during the ten-year term of the Lease of approximately one-third. The result of this unforeseen increase in staffing demands on the space in the building is that the staff for some legislators work in shared space. Shared space fails to meet standards for confidential meetings with constituents, and other intra-office privacy concerns. The space has only worked because of the patience and cooperation of Anchorage legislative staff and legislators. However, after the current

Lease term expires the limited space will no longer be acceptable. In addition to the staff of different legislators sharing space, three Anchorage area legislators are sharing space with their staff, which is also not acceptable.

The Legislature requires office space beyond the needs of the Anchorage-area legislators and staff. Once the Lease is amended, the renovated facility will provide space for the Speaker of the House, and the Senate President, who are both out-of-Anchorage legislators, and for rural legislators who require space for conducting work and attending legislative meetings in Anchorage.

Further, the existing building is in need of substantial renovation and upgrade. The condition of the premises is no longer suitable for legislative use. Physical deficiencies include lack of potable water, limited restroom facilities, ineffective HVAC system, deteriorated and leaking plumbing, an unreliable and inadequate elevator, insecure and unsafe below-ground parking facilities, leaking windows, worn window coverings and carpeting, inadequate electrical service, unpleasant odors in the elevator, inefficient lighting, and hazardous materials used in the original construction of the building. All of these will be remediated in the renovation and upgrade.

Had each of these factors been taken individually, fluctuating space demands may have been foreseen at some level. However, the pressure on space in the building from the multiple impacts discussed above was not foreseen when the Lease was entered into in 2004.

040(d)(3): Not Practicable to Competitively Procure a New Lease

The Anchorage Legislative Information Office has been located in leased space at 716 West Fourth Avenue for approximately 20 years. Occupancy was initially under a 10 year lease which terminated in 2003, that was extended month-by-month through 2004, when the current lease was established following an RFP process. The Legislature

is now in its 10th year under the current Lease, having just exercised the final of five one-year renewal options allowed under the terms of the Lease.

Over the past five years the Legislature has explored and requested proposals on numerous occasions seeking alternative space. None of those efforts has resulted in a solution that was possible, practicable or acceptable. Given that the Lease has nearly expired, the Legislature recently provided notice to the public of a Request For Information ("RFI")² from parties interested in providing legislative office space in Anchorage. Two parties provided responses detailing the space they had available. Both spaces were located in areas that were not acceptable to Legislative Council for the needs of the Legislature. The available properties in the responses to the RFI failed to provide constituent access, access to other state and local centers of government, access to public transportation, and access to lodging and meeting spaces. In summary, based on the RFI responses, there are no facilities available for lease that are suitable for the Legislature's unique needs.

Because of the limited interest shown in the RFI and the lack of suitable legislative space available for lease, Legislative Council reconsidered the existing leased space at 716 West Fourth Avenue, and made the determination that the existing building, if renovated and with the addition of a suitable amount of additional space, could continue to serve the Legislature and public. The only available property adjacent to 716 West Fourth Avenue that would facilitate the needed renovations to 716 West Fourth Avenue, and provide additional space, is 712 West Fourth Avenue.

In addition to its efforts to formally identify potential lease space through the issue of an RFI, commercial real estate brokers and others were consulted in an attempt to determine if lease space suitable to meet the Legislature's needs might be available.

² The complete RFI is available at <http://aws.state.ak.us/OnlinePublicNotices/Notices/View.aspx?id=168321>.

These inquiries delivered the same results as the RFI; there are no existing facilities available to meet the Legislature's needs,

Based on the foregoing discussion and factors, inclusive of the lack of suitable remaining time for any additional procurement efforts, as Procurement Officer, I find that it would not be practicable to competitively bid a lease for Anchorage legislative office space because of: (1) limited interest demonstrated by the response to the RFI; (2) no available property suitable for legislative needs offered in response to the RFI; (3) the decision by Legislative Council to exercise its option under AS 36.30.083(a) and extend its lease of 716 West Fourth Avenue, subject to renovations by the Lessor and a cost saving of 10 percent less than fair market value; and (4) the uniqueness of the location of 712 West Fourth Avenue to the Legislature's existing office space at 716 West Fourth Avenue.

040 (d)(4): The Modification is in the Best Interests of the Agency or the Committee

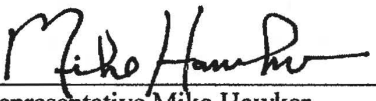
The existing leased space at 716 West Fourth Avenue, while at the end of the service life of the building systems, and despite chronic maintenance problems, has served the Legislature and constituent needs for approximately 20 years. The location on Fourth Avenue provides central access for legislators and constituents to meeting spaces, hotels, the courts, state and local government offices, public transportation, and other support facilities. The current lease includes parking, which is essential for public access to government by constituents, legislators, and staff.

Based on all factors considered above, the Legislative Council made the decision to exercise its option under AS 36.30.083(a) to enter into negotiations with the Lessor, to extend the Lease subject to the building being suitably improved with a modest addition of space, and subject to the requirements in AS 36.30.083(a) that the cost to the Legislature be at least 10 percent below the market rental value of the real property at the time of the extension. The decision to amend the Lease as provided by Alaska

Final
Page 9

Legislative Procurement Procedure 040(d), is in Legislative Council's best interest, since it will facilitate the extension of the Lease with the necessary improvements and with additional needed space, at a cost-savings to the Legislature, as provided by AS 36.30.083(a).

Lastly, in addition to the determination herein, as Chairman of Legislative Council and Procurement Officer, I have provided written notice to legislative leadership of the successful conclusion of negotiations and the intent to extend and amend the lease as provided herein.



Representative Mike Hawker
Chairman of Legislative Council and
Procurement Officer

9.16.13
Date

EXHIBIT D

Alaska State Legislature

Legislative Affairs Agency

Office of the Executive Director

Terry Miller Legislative Office Building, Room 217

Mailing Address: State Capitol, Rm. 3 Juneau, Alaska 99801-1182 Phone (907) 465-3800 Fax (907) 465-3234



2013 SEP 25 AM 9:49

September 19, 2013

Senator Anna Fairclough, Chair
Representative Mike Hawker, Vice-Chair
Legislative Budget & Audit Committee
State Capitol
Juneau, AK 99801-1182

RE: AS 36.30.083(b) Lease Reporting Requirement

Dear Senator Fairclough and Representative Hawker:

In accordance with the requirements of AS 36.30.083(b), the Legislative Affairs Agency would like to report to the Legislative Budget and Audit Committee that the Agency will be entering into a 10-year real property lease extension of the Anchorage Legislative Offices and Anchorage Legislative Information Office at 716 West 4th Avenue effective June 1, 2014, during the end of fiscal year 2014.

The lease will also be amended to accommodate an expansion and renovation of the premises. As required by AS 36.30.083(a), the market rental value of the renovated premises, including the parking garage, was appraised by real estate appraiser Tim Lowe, MAI, CRE, FRICS, of Waronzof and Associates, Inc. on September 18, 2013, and reviewed by the Alaska Housing Finance Corporation, to establish that the rent due under the lease is 10 percent below the market rental value of the real property. Mr. Lowe has assessed the rental value of the property, as of the effective date of the lease extension on June 1, 2014, at \$325,667 a month or \$3,908,000 annually. The annual rental payment will be \$281,638 a month or \$3,379,656 annually, exceeding the 10 percent reduction in market rental value required by AS 36.30.083(a). Our annual savings will be \$528,344.

Sincerely,

A handwritten signature in blue ink that reads "Pamela A. Varni".

Pamela A. Varni
Executive Director

cc: Tina Strong, Contracting Officer, LAA

STATE OF ALASKA)
) ss.
THIRD JUDICIAL DISTRICT)

THIS IS TO CERTIFY that on this _____ day of _____, 2013, before me the undersigned Notary Public in and for the State of Alaska, duly commissioned and sworn as such, personally appeared, MARK E. PFEFFER, known to me and to me known to be the individual named in and who executed the above and foregoing Lease on behalf of 716 WEST FOURTH AVENUE, LLC, and who acknowledged to me that they had full power and authority to, and did execute the above and foregoing Lease on behalf of and as the free and voluntary act and deed of said organization, for the uses and purposes therein mentioned.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal the day, month and year first above written.

Notary Public in and for Alaska
My commission expires: _____

STATE OF ALASKA)
) ss.
THIRD JUDICIAL DISTRICT)

THIS IS TO CERTIFY that on this _____ day of _____, 2013, before me the undersigned Notary Public in and for the State of Alaska, duly commissioned and sworn as such, personally appeared, ROBERT B. ACREE, known to me and to me known to be the individual named in and who executed the above and foregoing Lease on behalf of 716 WEST FOURTH AVENUE, LLC, and who acknowledged to me that he had full power and authority to, and did execute the above and foregoing Lease on behalf of and as the free and voluntary act and deed of said organization, for the uses and purposes therein mentioned.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal the day, month and year first above written.

Notary Public in and for Alaska
My commission expires: _____

STATE OF ALASKA)
) ss.
THIRD JUDICIAL DISTRICT)

THIS IS TO CERTIFY that on this _____ day of _____, 2013, before me the undersigned Notary Public in and for the State of Alaska, duly commissioned and sworn as such, personally appeared, ALANA WILLIAMS, known to me and to me known to be the individual named in and who executed the above and foregoing Lease on behalf of MARK E. PFEFFER ALASKA TRUST UTAD 12/28/07, and who acknowledged to me that she had full power and authority to, and did execute the above and foregoing Lease on behalf of and as the free and voluntary act and deed of said organization, for the uses and purposes therein mentioned.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal the day, month and year first above written.

Notary Public in and for Alaska
My commission expires: _____

STATE OF ALASKA)
) ss.
THIRD JUDICIAL DISTRICT)

THIS IS TO CERTIFY that on the _____ day of _____, 2013, before me, the undersigned Notary Public in and for Alaska, duly commissioned and sworn as such, personally appeared REPRESENTATIVE MIKE HAWKER, known to me and to me known to be the individual named in and who executed the above and foregoing Lease as the CHAIR OF THE ALASKA LEGISLATIVE COUNCIL, and he acknowledged to me that he executed the foregoing Lease as the free and voluntary act and deed of his principal for the uses and purposes therein set forth.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal the day, month and year first above written.

Notary Public in and for Alaska
My commission expires: _____

STATE OF Missouri)
County of Jackson) ss.

THIS IS TO CERTIFY that on the 19 day of September, 2013, before me, the undersigned Notary Public in and for Missouri, duly commissioned and sworn as such, personally appeared PAMELA A. VARNI, known to me and to me known to be the individual named in and who executed the above and foregoing Lease as the EXECUTIVE DIRECTOR of the STATE OF Alaska LEGISLATIVE AFFAIRS AGENCY, and she acknowledged to me that she executed the foregoing instrument as the free and voluntary act and deed of her principal for the uses and purposes therein set forth.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal the day, month and year first above written.



Sherry F. Goucher
Notary Public in and for Missouri
My commission expires: 03-18-16

FOR RECORDING DISTRICT OFFICE USE ONLY:

No Charge - State Business

After recording return to:
Tina Strong, Supply Officer
Legislative Affairs Agency
State Capitol, RM 3
Juneau, AK 99801-1182

IN WITNESS WHEREOF, the Lessor and Lessee have executed this Lease on the day, month, and year indicated below.

LESSOR:
716 WEST FOURTH AVENUE, LLC

By its Manager:

 9/19/13

Mark E. Pfeffer
Manager
Tax Identification No.: 46-3682212
Business License No.: 423463

LESSOR:
716 WEST FOURTH AVENUE, LLC

By its Member:

Robert B. Acree
Member

LESSOR:
716 WEST FOURTH AVENUE, LLC

By its Member:
Mark E. Pfeffer Alaska Trust UTAD 12/28/07

 9/19/13

Alana Williams
Its: Trustee

LESSEE:
STATE OF ALASKA
LEGISLATIVE AFFAIRS AGENCY

Representative Mike Hawker
Chair; Alaska Legislative Council
Procurement Officer

CERTIFYING AUTHORITY

Pamela A. Varni
Executive Director
Legislative Affairs Agency

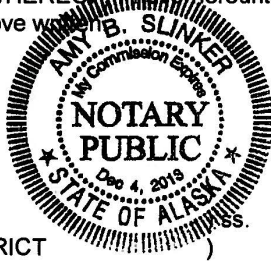
APPROVED AS TO FORM:

Legal Counsel

STATE OF ALASKA)
) ss.
THIRD JUDICIAL DISTRICT)

THIS IS TO CERTIFY that on this 19th day of September, 2013, before me the undersigned Notary Public in and for the State of Alaska, duly commissioned and sworn as such, personally appeared, MARK E. PFEFFER, known to me and to me known to be the individual named in and who executed the above and foregoing Lease on behalf of 716 WEST FOURTH AVENUE, LLC, and who acknowledged to me that they had full power and authority to, and did execute the above and foregoing Lease on behalf of and as the free and voluntary act and deed of said organization, for the uses and purposes therein mentioned.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal the day, month and year first above written.



STATE OF ALASKA

THIRD JUDICIAL DISTRICT

Amy B. Slinker
Notary Public in and for Alaska
My commission expires: 12/4/13

THIS IS TO CERTIFY that on this _____ day of _____, 2013, before me the undersigned Notary Public in and for the State of Alaska, duly commissioned and sworn as such, personally appeared, ROBERT B. ACREE, known to me and to me known to be the individual named in and who executed the above and foregoing Lease on behalf of 716 WEST FOURTH AVENUE, LLC, and who acknowledged to me that he had full power and authority to, and did execute the above and foregoing Lease on behalf of and as the free and voluntary act and deed of said organization, for the uses and purposes therein mentioned.

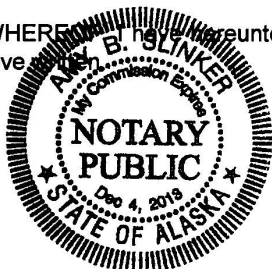
IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal the day, month and year first above written.

Notary Public in and for Alaska
My commission expires: _____

STATE OF ALASKA)
) ss.
THIRD JUDICIAL DISTRICT)

THIS IS TO CERTIFY that on this 19th day of September, 2013, before me the undersigned Notary Public in and for the State of Alaska, duly commissioned and sworn as such, personally appeared, ALANA WILLIAMS, known to me and to me known to be the individual named in and who executed the above and foregoing Lease on behalf of MARK E. PFEFFER ALASKA TRUST UTAD 12/28/07, and who acknowledged to me that she had full power and authority to, and did execute the above and foregoing Lease on behalf of and as the free and voluntary act and deed of said organization, for the uses and purposes therein mentioned.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal the day, month and year first above written.



Amy B. Slinker
Notary Public in and for Alaska
My commission expires: 12/4/13

STATE OF ALASKA)
) ss.
THIRD JUDICIAL DISTRICT)

THIS IS TO CERTIFY that on the _____ day of _____, 2013, before me, the undersigned Notary Public in and for Alaska, duly commissioned and sworn as such, personally appeared REPRESENTATIVE MIKE HAWKER, known to me and to me known to be the individual named in and who executed the above and foregoing Lease as the CHAIR OF THE ALASKA LEGISLATIVE COUNCIL, and he acknowledged to me that he executed the foregoing Lease as the free and voluntary act and deed of his principal for the uses and purposes therein set forth.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal the day, month and year first above written.

Notary Public in and for Alaska

My commission expires:

STATE OF ALASKA)
) ss.
FIRST JUDICIAL DISTRICT)

THIS IS TO CERTIFY that on the _____ day of _____, 2013, before me, the undersigned Notary Public in and for Alaska, duly commissioned and sworn as such, personally appeared PAMELA A. VARNI, known to me and to me known to be the individual named in and who executed the above and foregoing Lease as the EXECUTIVE DIRECTOR of the STATE OF ALASKA LEGISLATIVE AFFAIRS AGENCY, and she acknowledged to me that she executed the foregoing instrument as the free and voluntary act and deed of her principal for the uses and purposes therein set forth.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal the day, month and year first above written.

Notary Public in and for Alaska

My commission expires:

FOR RECORDING DISTRICT OFFICE USE ONLY:

No Charge - State Business

After recording return to:
Tina Strong, Supply Officer
Legislative Affairs Agency
State Capitol, RM 3
Juneau, AK 99801-1182

ASHBURN & MASON P.C.

LAWYERS

DANI CROSBY • MATTHEW T. FINDLEY • MERA MATTHEWS • DONALD W. MCCLINTOCK III
JACOB A. SONNEBORN • THOMAS V. WANG • REBECCA A. WINDT
OF COUNSEL MARK E. ASHBURN • JULIAN L. MASON III • A. WILLIAM SAUPE

September 23, 2013

Via Hand Delivery:

Michael Buller
Alaska Housing Finance Corporation
4300 Boniface Parkway
Anchorage, Alaska 99504

Re: the Extension of Lease and Lease Amendment No. 3 between 716 W.
Fourth Avenue, LLC and the Legislative Affairs Office.
Our File No.: 10708.050

Dear Mr. Buller:

Please find enclosed the original signature of Robert Acree on the Extension of Lease and Lease Amendment No. 3 between 716 W. Fourth Avenue, LLC and the Legislative Affairs Office.

Please contact our office should you have any questions.

Very truly yours,

ASHBURN & MASON, P.C.



Donald W. McClintock

Enc.

{10708-050-00152370;1}

1227 WEST 9TH AVENUE, SUITE 200, ANCHORAGE, AK 99501 • TEL 907.276.4331 • FAX 907.277.8235

51. **AGREEMENT IN ITS ENTIRETY:**

The Lease represents the entire understanding between the parties. No prior oral or written understandings shall have any force or effect with respect to any matter covered in the Lease or in interpreting the Lease. The Lease shall only be modified or amended in writing.

IN WITNESS WHEREOF, the Lessor and Lessee have executed this Lease on the day, month, and year indicated below.

LESSOR:
716 WEST FOURTH AVENUE, LLC

By its Manager:

Mark E. Pfeffer
Manager
Tax Identification No.: 46-3682212
Business License No.: 423463

LESSOR:
716 WEST FOURTH AVENUE, LLC

By its Member:

Robert B. Acree	Date
Member	

LESSOR:
716 WEST FOURTH AVENUE, LLC

By its Member:

Mark E. Pfeffer Alaska Trust UTAD 12/28/07

Alana Williams date _____
Its: Trustee

LESSEE:
STATE OF ALASKA
LEGISLATIVE AFFAIRS AGENCY

Representative Mike Hawker Date _____
Chair, Alaska Legislative Council
Procurement Officer

APPROVED AS TO FORM:

Pamela A. Varni **Date**
Executive Director
Legislative Affairs Agency

Legal Counsel Date

STATE OF ALASKA)
) ss.
THIRD JUDICIAL DISTRICT)

THIS IS TO CERTIFY that on this _____ day of _____, 2013, before me the undersigned Notary Public in and for the State of Alaska, duly commissioned and sworn as such, personally appeared, MARK E. PFEFFER, known to me and to me known to be the individual named in and who executed the above and foregoing Lease on behalf of 716 WEST FOURTH AVENUE, LLC, and who acknowledged to me that they had full power and authority to, and did execute the above and foregoing Lease on behalf of and as the free and voluntary act and deed of said organization, for the uses and purposes therein mentioned.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal
the day, month and year first above written.

Notary Public in and for Alaska
My commission expires: _____

STATE OF ~~ALASKA~~)
) ss.
~~THIRD JUDICIAL DISTRICT~~)

THIS IS TO CERTIFY that on this 19 day of September, 2013, before me the undersigned Notary Public in and for the State of Alaska, duly commissioned and sworn as such, personally appeared, ROBERT B. ACREE, known to me and to me known to be the individual named in and who executed the above and foregoing Lease on behalf of 716 WEST FOURTH AVENUE, LLC, and who acknowledged to me that he had full power and authority to, and did execute the above and foregoing Lease on behalf of and as the free and voluntary act and deed of said organization, for the uses and purposes therein mentioned.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal
the day, month and year first above written.

Notary Public in and for Alaska
My commission expires: 6/4/14

