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

Case No.: 3AN-15-05969CI

Plaintiff,

v.

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.

**(Re: LEGISLATIVE AFFAIRS AGENCY’S OPPOSITION TO PLAINTIFF’S
MOTION FOR PARTIAL SUMMARY JUDGMENT (NOT EXTENSION) AND
REQUEST FOR RELIEF UNDER CIVIL RULE 56(f))**

STATE OF ALASKA)
) ss.
THIRD JUDICIAL DISTRICT)

ALASKA BUILDING, INC. V. 716 WEST FOURTH AVENUE, LLC, et al., Case No. 3AN-15-05969CI

STOEL RIVES LLP
510 L Street, Suite 500, Anchorage, AK 99501
Main (907) 277-1900 Fax (907) 277-1920

I, KEVIN M. CUDDY, declare as follows:

1. I am over the age of eighteen and have personal knowledge of the statements contained in this declaration.

2. I am an attorney with the law firm of Stoel Rives, LLP, counsel for Defendant Legislative Affairs Agency ("Agency") in the above-captioned litigation and submit this affidavit in support of Defendant Legislative Affairs Agency's Opposition to Plaintiff's Motion for Partial Summary Judgment (Not Extension) and Request for Relief Under Civil Rule 56(f).

3. I have personal knowledge of all facts described herein and affirm all other facts based on my information and belief.

4. Plaintiff served the Agency with a motion for partial summary judgment as to Count I on June 12, 2015. The Agency's response is due by June 29, 2015.

5. Plaintiff asserts that it is undisputed that this was a "new office building" rather than a renovation project, and that the terms of the lease contains terms that are too "drastically different" from the lease it purports to extend to qualify as a lease extension, but these are ultimately factual determinations for the trier of fact.

6. The Agency requires an opportunity to obtain discovery from the defendants before it should be forced to respond to this premature summary judgment motion.

7. Discovery is currently stayed with respect to Count 1 of the Complaint, and the Court should order a continuance pursuant to Civil Rule 56(f) so that the Agency can obtain the necessary information to respond to this motion.

8. The Agency respectfully requests a continuance pursuant to Civil Rule 56(f) so that it may obtain discovery that is required to respond to this motion.

9. The Agency has not been dilatory with discovery. The Amended Complaint was only filed recently (June 8, 2015) and the Agency has promptly filed a dispositive motion as to Count 1 (to which this motion applies) as well as a motion to stay discovery until that dispositive motion is addressed. The Court granted the motion to stay discovery on June 17, 2015, so that the parties and the Court could properly focus on the issue of standing.

10. If Count 1 is not dismissed due to Plaintiff's lack of standing, the Agency will need to obtain discovery from the other defendants concerning certain details of the construction activities, including the permits that were obtained, to challenge Plaintiff's assertion that this was a "new office building" rather than a renovation as contemplated by the Lease Extension.

11. The Agency will also need to obtain discovery concerning whether the lease extension is so "drastically different" from the original lease that it should not qualify as an extension.

12. The Agency is unable to obtain this discovery at this time due to the current order staying discovery.

13. In the event all of the above-mentioned motions are denied, Plaintiff's motion is still significantly premature. Discovery has barely begun and no depositions have been taken.

14. The Agency has had virtually no time to conduct meaningful discovery, including arranging depositions or retaining experts. According to the Court's Routine Pretrial order, the final date for the parties to serve written discovery is April 11, 2016. The final date to depose lay witnesses is May 23, 2016. At best, discovery is in the preliminary stages.

15. Attached hereto as **Exhibit A** is a true and correct copy of the Lease between the Legislative Affairs Agency and 716 West Fourth Avenue, LLC recorded in the Anchorage Recording District on April 9, 2004 at 2004-024411-0.

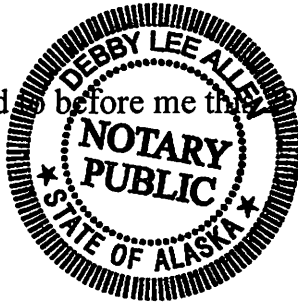
16. Attached hereto as **Exhibit B** is a true and correct copy of Lease Amendment No. 1 between the Legislative Affairs Agency and 716 West Fourth Avenue, LLC recorded in the Anchorage Recording District on September 18, 2006.

17. Attached hereto as **Exhibit C** is a true and correct copy of Lease Amendment No. 2 and Renewal of Lease between the Legislative Affairs Agency and 716 West Fourth Avenue, LLC recorded in the Anchorage Recording District on March 18, 2009.

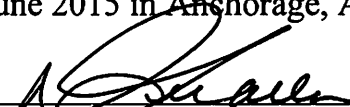
I declare under penalty of perjury that the foregoing is true and correct.

DATED this 29th day of June, 2015.


KEVIN M. CUDDY



Subscribed to before me this 29th day of June 2015 in Anchorage, Alaska.


Notary in and for the State of Alaska

My Commission expires: 12/17/2016

CERTIFICATE OF SERVICE AND OF FONT

This certifies that on June 29, 2015, a true and correct copy of the foregoing was served via USPS Priority Mail on:

James B. Gottstein, Esq.
Law Offices of James B. Gottstein
406 G Street, Suite 206
Anchorage, AK 99501
(Attorney for Plaintiff)

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1227 West Ninth Avenue, Suite 200
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(Attorneys for Defendant 716 West Fourth Avenue, LLC)

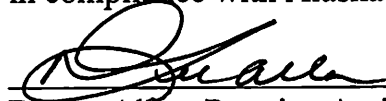
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I further certify that this document was substantively produced in Times New Roman 13, in compliance with Alaska Appellate Rule 513.5(c)(1) and Civil Rule 76(a)(3).


Debby Allen, Practice Assistant

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LEASE

LEASE AMOUNT FOR FIRST YEAR: \$597,000.00
(excluding CPI-U adjustment amount)

THIS LEASE, made and entered into on the date the Legislative Affairs Agency 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 241828, 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".

WITNESSETH:

1. **RENTAL PROPERTY AND RENTAL RATE:** The Lessor leases to the Lessee and the Lessee leases from the Lessor the premises, hereinafter "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 Ninety-Eight (98) reserved off-street parking places, for a term of five (5) years beginning June 1, 2004, and terminating at 11:59 p.m. on May 31, 2009, with the Lessee having five (5) one (1) year renewal options to be exercised by giving notice in writing to Lessor at the Lessor's above address at least thirty (30) days before the expiration of each term. The Base Monthly Rental is Fifty-Two Thousand and No/100 Dollars (\$52,000.00) each month; however for the period June 1, 2004, through May 31, 2005, the Base Monthly Rental will be reduced by \$2,250.00 each month by the Lessor to partially offset the costs incurred by the Lessee in purchasing and installing security camera equipment and any HVAC work that will have to be done as part of the Lessee's renovation.

The rent shall be adjusted the first of July of each year beginning in 2005 to reflect changes in the Lessor's variable costs. Variable costs are defined as all operational costs other than debt service and profit and further defined for the purpose of the Lease as thirty-five percent (35%) of the Base Monthly Rental Rate. The adjustment will be based on the percentage of change, between 2004 and the calendar year before the calendar year of the adjustment, in the U.S.

2003

Department of Labor Consumer Price Index for All Urban Consumers, Anchorage Area (CPI-U). The Annual Adjusted Monthly Rental Rate will be computed as follows:

PERCENTAGE OF CHANGE IN CPI-U

(Annual average CPI-U for the calendar year preceding the year of adjustment) - (Annual average CPI-U for the calendar year XX (XX)) = x

x/Annual average CPI-U for the calendar year XX (XX)% = y%

ADJUSTED MONTHLY RENTAL RATE

[(35% x Base Monthly Rental Rate) x % of change in CPI-U] + Base Monthly Rental Rate = Adjusted Monthly Rental Rate.

[(35% x Base Monthly Rental Rate) x y%] + Base Monthly Rental Rate = Adjusted Monthly Rental Rate.

Retroactive adjustments will not be allowed.

The monthly rental payments shall be due and payable on the first day of each month of the Lease and shall be sent by first class mail to the office of the Lessor whose address is listed above.

2. **ADA COMPLIANCE:** On the date of occupancy and throughout the entire occupancy of the Lessee, the Lessor shall ensure that the premises (including, but not limited to, restrooms), the reserved parking spaces, the common areas (including, but not limited to, restrooms and parking area), and any subsequent alterations to the premises shall meet the specifications of the ADA Accessibility Guidelines for Buildings and Facilities per the Americans with Disabilities Act (ADA) Appendix A to 28 CFR 36, as currently written and as they may be subsequently amended (hereafter referred to as ADA compliance).

Under the previous paragraph, the premises (including, but not limited to restrooms), the reserved parking spaces, the common areas (including, but not limited to, restrooms and parking area), and subsequent alterations must meet the ADA compliance requirements as they apply to a public entity. The Lessor must provide space that meets the same level of ADA compliance as if the leased space were in a newly constructed State-owned facility from which all program services are directly delivered to the public.

The Lessee's acceptance of the Lessor's space and alterations and any inspection by the Lessee do not relieve the Lessor of responsibility for ADA compliance. The Lessor further agrees to perform and pay the costs of any alterations needed to meet the above-prescribed ADA compliance.

The Lessor must furnish an ADA Facility Audit Report from an architect registered to practice in the State of Alaska, at no cost to the Lessee, after the completion of any new construction or any alteration, except for Lessee's and Lessor's improvements under section 3 of this Lease, of the existing space undertaken during the Lease. The ADA Facility Audit Report must indicate



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that the offered space complies with all the requirements of the ADA compliance and this section.

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

3. **DELIVERY OF PREMISES; RENOVATIONS:** The Lessee is currently occupying the premises under the current lease, which terminates May 31, 2004. Except for Lessor's carpeting obligations in this section 3, the Lessor will not be reconfiguring or making other improvements to prepare the premises for this Lease, unless the improvements are required by another section of this Lease. The Lessor has agreed to allow the Lessee to perform renovations to the current premises before the Lease term begins on June 1, 2004. Although Lessor and Lessee are currently leasing most of the premises under the current lease, this Lease will apply to the renovations allowed under this section 3, and the current lease is amended to that extent. These renovations will be paid for by the Lessee and will include, but are not limited to, the following:

- 1) re-locating the Data Processing Staff to what is currently Suite 240A, constructing a separate entrance to the room to split up the suite from what is currently 240B, and installing appropriate electrical, data, and phone jacks;
- 2) re-locating the Network Room from the basement area to what is currently the Supply Room on the second floor of the premises, and installing appropriate electrical, data and phone jacks;
- 3) re-wiring all offices located on floors 2 – 6 with Cat 5e or Cat 6 wiring;
- 4) re-locating the Legislative Ethics Office to what is currently Suite 240B, constructing a separate entrance to the room to split up the suite from what is currently 240A, and installing appropriate electrical, data, and phone jacks if required;
- 5) expanding the current large teleconference room by taking down a wall of what is currently Suite 230 and making Suite 230 part of the large teleconference room;
- 6) constructing walls, adding a door, tearing down walls, and installing appropriate electrical, data and phone jacks to make 3 House offices out of what is currently Suite 380 and the Storage Room;
- 7) constructing walls, adding a door, tearing down walls, and installing appropriate electrical, data and phone jacks to make 3 House offices out of what is currently Suite 470 and 2 Storage Rooms;
- 8) constructing a new office in what is currently open space in the hallway by the Senate Conference Room and installing appropriate electrical, data, and phone jacks;
- 9) enlarging what is currently a Storage Room, Suite 680, into a larger House office by constructing walls, tearing down a wall in House Conference Room, Suite 670, adding a door, and installing appropriate electrical, data, and phone jacks;
- 10) re-balancing the HVAC system due to the above remodel.

The Lessor has agreed to provide, at no cost to the Lessee, up to an additional 540 square yards of new high quality commercial quality carpet that matches the existing carpet in the amount necessary to patch any carpet that had been re-carpeted in the fall of 2002 in the offices affected by the above renovations. In addition, the Lessor has also agreed to provide and install new carpeting and cove base in all offices that were not re-carpeted in the fall of 2002, at no cost to the Lessee. The Lessee will notify the Lessor when these offices will be



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ready to be carpeted, and the Lessor will complete the installation within one month after Lessee's notification.

4. **UTILITIES AND SERVICES:** The Lessor will provide at no additional cost beyond the rental payments all utilities, including heat, electricity, sewage, potable water, and trash removal from the premises, and janitorial services, except that the Lessee will pay its own telephone utility bills. The Lessor will also provide, at no additional cost beyond the rental payments, its building maintenance staff to promptly lower and raise the Alaska State Flag and the United States Flag, that are installed outside the building, whenever requested by the Lessee to do so.
5. **ELECTRICAL REQUIREMENTS:** The Lessor shall ensure that the requirements in this section 5 are met.
- A. **ELECTRICAL WIRING STANDARDS:** All electrical work performed and electrical systems shall comply with the current applicable editions of:
1. the National Electrical Code of National Board of Fire Underwriters;
 2. the rules, regulations, and codes of the State and applicable municipality;
 3. the standardized rules of the National Electrical Manufacturer's Association.

The above minimum requirements shall not preclude the use of higher-grade materials or better workmanship.

- B. **MAIN SERVICE FACILITIES:** The main service facilities and meter panel shall be adequate to provide the electrical load that will be required. This service shall be enclosed in a suitable enclosure which is readily accessible for inspection. Single phase, 60 cycle, 120/240 V service shall be supplied.
- C. **LIGHTING:** Lighting fixtures shall be provided which are capable of producing well diffused illumination at working levels of no less than 75 FT-C in office and clerical areas; and no less than 50 FT-C in lobbies, restrooms, parking areas and similar areas. Fixtures shall be provided with louvers or plastic diffusers. Bare lamp fixtures will not be acceptable.

Specified illumination levels must be at task surface height (generally 30 inches above floor) unless noted otherwise in this section 5. For types of spaces not listed in the previous paragraph, illumination levels must be in accordance with current IES recommendations.

All lamps shall be consistent throughout space with regard to color, temperature, quality, and type. A maintenance program shall be conducted throughout the duration of the Lease to maintain this consistency.

- D. **SWITCHING:** Individual switching shall be provided for each room or area. Switches shall be located inside the lighted space, adjacent to the entry, accessible with doors open or closed. In lieu of or in addition to the previous sentence, lighting may be controlled by a building control system. Motion detectors are acceptable in lieu of switches for all spaces except open offices. Three- or four-way switching, as



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appropriate, shall be provided in corridors and large rooms with more than one entry.

- E. **ELECTRICAL OUTLETS:** Existing outlets in the premises currently occupied by the Lessee are sufficient. If additional outlets are required, the Lessee shall be responsible for these costs; however, the Lessor shall be responsible for maintaining all outlets in good working order.

Legislative Information Office: A 120V, 20 amp dedicated outlet shall be provided in the copy room for the LIO copier.

Senate Space: A 120V, 60hz, 20 amp dedicated shall be provided in each of the two (2) copy rooms.

House Space: A 120V 20 amp dedicated shall be provided in each of the two (2) copy rooms.

In toilet rooms a minimum of one duplex receptacle (with ground fault protection) shall be provided above the counter (adjacent to sink or mirror) and a minimum of one general use receptacle shall be provided.

- F. **DOCUMENTATION:** The Lessor shall post a floor plan at each circuit breaker panel with labeling to correspond to individual circuit breaker labels, and keep the posted floor plan up to date.

6. **DRINKING WATER AND RESTROOM REQUIREMENTS:** The Lessor shall ensure that the drinking water and restroom facilities meet the requirements in this section 6.

- A. **DRINKING WATER:** Water suitable for drinking purposes shall be provided through drinking fountains or water coolers located at a central location in the main hallways on each floor. If water coolers are provided, the delivered bottled water with disposable paper cups shall be supplied by the Lessor at no additional cost to the Lessee.

- B. **RESTROOMS:** The Lessor shall provide separate adequate toilet and lavatory facilities for men and women in compliance with all applicable codes and the state's safety regulations, and section 2 of this Lease. Each toilet room shall have single entrance doors, with automatic door closers or other approved entrance arrangement. They shall be equipped or provided with stall partitions with doors. They shall also be provided with adequate mirrors, soap, tissue and paper towel dispensers, sanitary napkin dispensers in the women's restrooms, deodorizers, sanitary tissue seat cover dispensers, and ventilation. Each restroom shall have hot and cold running water. Public restrooms shall not be located within the Lessee's leased space. Access to the public restrooms may not be through the Lessee's leased space.

7. **HEATING, COOLING, AND VENTILATION REQUIREMENTS:** The Lessor shall ensure that the requirements of this section 7 are met.

- A. **HEATING AND COOLING:** Facilities shall be provided to maintain a temperature in all the offices and similar type space uniformly within 68 degrees F to 78 degrees F

The existing configuration of the thermostat control units and heating zones in the premises currently occupied by the Lessee are sufficient, however, the Lessor shall be responsible for maintaining such in good working order.

range. The temperature to be maintained in this zone is the area two (2) feet above the floor to a height of five (5) feet above the floor.

If the temperature is not maintained within the 68 degrees F to 78 degrees F range, as required by the previous paragraph, for a period of more than one (1) working day, 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.

B. **VENTILATION:** All occupied areas of the building shall be provided with at least the minimum amount of outside (ventilation) air prescribed by ASHRAE Standard 62-89: "Ventilation for Acceptable Indoor Air Quality". This ventilation air shall be introduced by mechanical means. A minimum of six air changes per hour shall be provided in occupied spaces. Exhaust air systems serving toilet rooms and janitor's closets shall be sized to provide a minimum of 10 air changes per hour.

8. **WINDOW COVERING REQUIREMENTS:** The Lessor shall comply with this section 8. All outside windows shall be equipped with blinds, or other approved material and shall be installed, ready for use with all necessary hardware when the Lessee occupies the rental premises. Window coverings shall be of good quality and appearance matching the decor of the space and shall adequately reduce incoming heat and light to a comfortable level. The Lessee reserves the right to select the color of the window coverings, if new window coverings are to be installed.
9. **FLOOR COVERING REQUIREMENTS:** The Lessor shall comply with this section 9. Office floors shall be covered with a good quality of commercial grade carpeting. Other floors shall be covered with carpet, suitable linoleum, or tile of standard size which is free of defects. The Lessee reserves the right to select the color of the floor covering, if a new floor covering is to be installed. Carpeting shall be of a good quality commercial grade and shall not generate more than a minimal amount of static electricity under normal use. New floor coverings shall be installed in a skilled manner common to the trade.
10. **ACOUSTICAL REQUIREMENTS:** All offices and similar type space shall be equipped with acoustical ceiling tiles, panels, or other sound absorption material. The overall noise factor shall not exceed 90 decibel (dba) for an eight-hour workday at level A reading. Acoustical control must be sufficient to permit conferences, waiting room noise, and office work to progress simultaneously. It is the Lessor's responsibility to furnish the proper combination of sound



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absorptive material on ceilings, walls, and floors to achieve the specified preferred notice criteria level.

11. **PARTITION REQUIREMENTS:** Unless otherwise specified by Lessee, the Lessor shall ensure that all partitions are floor to ceiling, flush type, and of drywall construction, and that the finish is paint, paneling, or other Lessee-approved material.
12. **PAINTING REQUIREMENTS:** The Lessor shall ensure that all surfaces which normally would be painted are 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 (a) select the colors for areas to be newly painted; or (b) determine whether existing painted surfaces are satisfactory, if the Lessor wants to use the existing painted surfaces without painting them for the Lease.
13. **DOOR HARDWARE REQUIREMENTS:** The Lessor shall ensure that the requirements of this section 13 are met. All doors shall be equipped with all necessary hardware. Cylinder locks and door checks shall be furnished and installed on all doors which open into public corridors or space otherwise accessible to other than those persons to be employed in the premises. All locks shall be masterkeyed and duplicate individual keys shall be supplied as required. Outside door keys shall be supplied as required by the Lessee.
14. **VOICE AND DATA REQUIREMENTS:** The Lessor shall ensure that adequate telephone service is be available and that all necessary conduit and other features necessary to satisfy the telephone company's requirements are included in the building. The Lessee will be responsible for the actual connection of telephone and communications equipment required by the Lessee and as stated in section 3 ("Delivery of Premises; Renovations"). Under section 3 of this Lease, the Lessee will be responsible for the re-wiring at the start of this Lease of all offices on floors 2 through 6 in the premises with Category 5e or Category 6 compliant wiring, including, but not limited to, the installation of any necessary conduit.
15. **PARKING REQUIREMENTS:** The Lessor shall ensure the requirements of this section 15 are met.

Reserved off-street parking shall be of sufficient size to allow proper and easy parking, and have a hard and well-drained surface. The area shall be marked "Reserved" to identify the private parking nature of each reserved space, and each space reserved by the Lessee within the area shall be at least 8-1/2 feet wide by 17 feet long and shall be marked to provide for proper parking and otherwise identified as private parking.

Ninety-Eight (98) reserved parking spaces shall be provided for the exclusive use of the Lessee. These ninety-eight (98) parking spaces must be provided at no additional cost to the Lessee.

Ninety (90) of the reserved ninety-eight (98) parking spaces provided for the exclusive use of the Lessee must be located in the parking lot adjacent to the west side of the 716 West 4th Avenue building. All parking locations must be well lit and have good accessibility in and out of the parking area.



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An additional eight (8) reserved public parking spaces must be provided for the exclusive use of the Lessee for the Lessee's invitees to the building. This parking must be located no more than two blocks walking distance from the office location and have good accessibility in and out of the parking area.

16. **FIRE PREVENTION:** The Lessor shall maintain the premises in keeping with good fire prevention practices. The Lessee reserves the right at reasonable times to enter and make fire prevention and fire protection inspections of the building and space occupied.
17. **HAZARDS:** The Lessor shall maintain the building free of structural or mechanical hazards.
18. **JANITORIAL SERVICES:** The Lessor shall be responsible for janitorial services as outlined below for the entire premises, common areas, and private parking areas. Janitorial services must be performed by competent employees of the Lessor or by a competent janitorial company and the Lessor must notify the Lessee of all names of who will be performing these janitorial services. The Lessor must give the janitorial employees or company a copy of the actual janitorial duties that are stated in the Lease. The Lessor must notify the Lessee of all janitorial employee or company changes relating to who will be performing the janitorial services. When the janitorial work is being performed, a person not performing the janitorial work may not enter or remain on the leased premises, except as otherwise authorized by Lessee.

Janitorial services shall be performed after office hours unless otherwise specified or as conveniently as possible to the occupying entities. The premises generally are occupied Monday through Friday except State holidays. In the event that various areas are occupied at times other than specified herein, the janitorial services shall be performed at other times as convenient. The Lessee prefers the following:

A. DAILY SERVICES:

1. Empty wastebaskets. Empty and wipe ashtrays and place contents in a metal container separate from other waste material. Collect all wastepaper and trash and dispose of it away from the premises.
2. Sweep halls and floors in the interior of the building. Tile floors are to be swept with a yarn broom or a dust mop treated with polyethylene glycol or similar non-injurious material. (If lobby area is tiled, B-1 will become a daily service.)
3. Vacuum all carpets in offices, conference rooms, workstations, hallways, aisles used for circulation within said premises, common areas, entryways, elevator lobbies and corridors.
4. Dust all visible surfaces of furniture, fixtures, and equipment to a height of six (6) feet.
5. Mop or scrub toilet room floors, wash all plumbing fixtures with warm water and soap. Disinfect urinals and water closets. Damp wipes all dispensers, tiled portion of toilet room walls and stall partitions.



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6. Provide and maintain adequate supplies of toilet paper, seat covers, deodorizers, sanitary napkins, towels and soap in toilet rooms. These supplies are to be of standard or better quality and are to be furnished by the Lessor. The Lessor shall also provide a closed disposal container for waste sanitary napkins.
7. Clean and disinfect any drinking fountains.
8. Police sidewalks by collecting and removing all trash and other discarded materials.
9. At the end of each workday, the janitorial supervisor must inspect the entire building to ensure that all work is complete and all necessary doors are locked.

B. WEEKLY SERVICES:

1. Damp mop all waxed floors and machine buff to remove traffic marks and restore luster of wax.
2. Remove all fingernails and smudges from walls, woodwork, and glass surfaces.

C. MONTHLY SERVICES: Vacuum fabric furniture.

D. EVERY SIX MONTHS SERVICES:

1. Dust or vacuum window coverings such as blinds, etc., as may be the case, overhead pipes, ventilation vents, or molding, etc., that must be reached by ladder.
2. Dust or wash light fixtures as appropriate for greatest light efficiency.
3. Wash windows and glass wind deflectors inside and out leaving no streaks or unwashed places. Wipe water spots from sills and frames. Use drop cloth as required to protect adjacent surfaces, fixtures, and furniture. Wash windows at equal intervals of time, weather and conditions permitting.
4. Wash all wastebaskets.
5. Wash walls in public halls and stairwells where wall covering permits. Wash pipes and rails in stairwells. Clean and wax all paneling.
6. Shampoo carpets in high traffic areas of the premises.

E. AS REQUIRED:

1. Replace burned out lamps (to be furnished by the Lessor).
2. Remove snow and ice from sidewalks, entrances, outside storage areas, parking areas, and other areas as applicable to an extent which will render the areas safe to pedestrian traffic and automobile operation.
3. Shampoo ALL carpeted areas of the premises.



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4. Remove spots and stains from carpets, tile and linoleum. Remove all foreign matter (gum, smudges, etc.) from floors, handrails and furniture.
5. Remove all wax from all floors by mopping or scrubbing with a synthetic detergent or wax remover, rinse thoroughly and apply good skid resistant wax of a type recommended by floor tile manufacturers. When wax is dry, machine buff to smooth sheen.
6. Clean or replace all entry rugs. Rugs are to be furnished by the Lessor at each building entrance and will be of sufficient size to preclude the tracking of dirt and mud into the building.

19. **COMPLIANCE WITH LAWS:** The Lessor shall comply with the requirements of this section 19.

- A. Except as otherwise provided elsewhere in this Lease, all improvements and new construction of existing structures, and all appurtenances, improvements, new construction, and existing structures shall conform to all applicable state, Federal and local laws, ordinances, codes, and regulations pertaining to them. In the absence of local or state regulations, national codes shall apply. Minimum requirements of the Lease shall not be construed as lowering the standard established by local regulations, and when local regulations and codes contain more stringent provisions, they shall govern. The Lessor shall be responsible for obtaining all required permits. The premises and the common areas must comply with Federal and state law relative to occupational health and safety regulations. The Lessor shall be responsible for the accomplishment and cost of any building alterations necessary to comply with these requirements.
- B. The Lessor must comply with all other applicable federal and state labor, wage/hour, safety and associated laws that have a bearing on this Lease and must have all licenses and permits required by the state and/or municipality for the performance of the work required by this Lease.

20. **MAINTENANCE AND REPAIR:** The Lessor shall at all times maintain the premises and common areas in a safe condition and in a good state of general repair, maintenance, and tenantable condition, including, but not limited to, the roof and the heating, electrical, ventilation, plumbing, sanitary, and any elevator or escalator facilities. The Lessor shall keep the roof free from roof leaks. The Lessor shall keep the common areas in a clean condition. The Lessor shall keep the building and the areas immediately surrounding and belonging to the building free from objectionable tenancy, odors, vermin, rodents, and other features that will in the opinion of the Lessee be detrimental to Lessee's operation. The term "repair" includes repairs of any type, including, but not limited to, exterior and interior, structural and nonstructural, routine or periodic, except in the case of damage arising from the negligence of the Lessee's agents or employees.

21. **SIGNS:** The Lessor shall provide and erect/affix adequate signage to identify the Lessee's presence and to easily direct the public to the Lessee's space. The Lessor shall provide and erect, at no cost to the Lessee, signage as follows: in all buildings, entrances, and common lobbies, hallways and elevators, and on all doors or walls at entrances to the Lessee's leased spaces.



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The Lessee reserves the right to erect or affix additional door or wall signs, at the Lessee's cost, within its leased space to further identify room names and/or numbers. The size and character of the signs shall be at the Lessee's discretion and shall not unreasonably detract from the aesthetics of the building.

22. **ELEVATORS:** The Lessor shall ensure that the premises under this Lease which are on the second floor and above are served by an elevator that, in addition to complying with section 2 of this Lease, complies with the current applicable editions of the rules, regulations, and codes of the State, and the applicable municipality. Documentation from a licensed elevator repairperson stating that the elevator is in good working order and meets all the minimum standards shall be provided by the Lessor, at no cost to Lessee, if requested by the Lessee.
23. **RENOVATION:** At least every five (5) years of occupancy or at the reasonable written request of the Lessee, the Lessor shall renovate the premises by refinishing all damaged or worn walls, ceilings, floors, or built-in fixtures or replacing damaged or worn wall, floor or window coverings or paint. If the Lessor does not respond to such reasonable renovation requests by the Lessee, the Lessee reserves the right to hire competent workers to accomplish such renovation(s) at the Lessor's expense, and may deduct the costs from the rent payments. 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 select the color(s) of the floor covering, if a new floor covering is to be installed, window coverings, if new window coverings are to be installed, and paint for areas to be newly painted.
24. **WAGE-RELATED REQUIREMENTS:** If the Lessor performs construction, alteration, repair, renovation, or redecoration work while the Lessee is occupying the premises, and if this work amounts to 20 percent or more of the entire term of this Lease (excluding optional renewals), 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 subcontractors 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 subcontractors 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 Wage and Hour Administration of the Department of Labor for more information.
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, but not limited to, elevators, lobbies, stairwells, and restrooms. The Lessor shall provide seven day a week security patrolling for the building and parking area at no cost to the Lessee. The Lessee will be responsible for purchasing and installing security cameras in the lower parking area, and for their operation and maintenance, including any monitoring.



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26. **ACCESS BY LESSOR:** The Lessor and its agents will have the right to enter the premises at any time during business hours and after reasonable notice to Lessee (in case of emergency, at any time and without notice) to examine and make the repairs, alterations, improvements, or additions that Lessor determines to be necessary or desirable, or to show the premises to actual or potential Lessees, purchasers, workers, or contractors. If the Lessee is not personally present to permit entry and an entry is necessary to make repairs, Lessor may enter the same by master key (or force if an emergency) without rendering the Lessor liable for the actual entry. The Lessor may not enter the premises for other reasons without the permission of the Lessee. Nothing contained in this section shall be construed to impose on the Lessor a duty of repair of the building except as provided for elsewhere in the Lease.
27. **USE OF PREMISES:** The Lessee will use the premises only for an office and in a careful and proper manner. Use for an office includes use for public meetings. The Lessee will not use or permit all or part of the premises to be used for another purpose without the prior written consent of the Lessor, which shall not be unreasonably withheld. The Lessee will not use or occupy the premises or permit them to be used or occupied for a purpose or business considered extra-hazardous on account of fire or other hazard, or in a manner which violates federal, state, or local laws or regulations.
28. **QUIET ENJOYMENT:** If the Lessee pays the rent as provided by the Lease and keeps, observes, and performs all of the other covenants of the Lease by it to be kept, performed and observed, the Lessee shall and may peaceably and quietly have, hold, and enjoy the premises for the term of such Lease.
29. **LESSEE ALTERATIONS:** Except as provided for in section 3 ("Delivery of Premises; Renovations") and section 33 ("Remedies on Default"), the Lessee may not make, or allow to be made, alterations of the premises without the written consent of Lessor, which shall not be unreasonably withheld. Alterations shall be performed in a professional and skilled manner. Lessee will not allow or permit a lien or other encumbrance to be placed against the premises.
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.
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, 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 current lease or before Lessee or Lessor made the improvements under section 3 of this Lease.
32. **UNTENANTABILITY:** During the term of this Lease, if the premises or any part is rendered untenable by public authority, or by fire, the elements, or other casualty, a proportionate part of the rent according to the extent of such untenability shall be abated and suspended until the premises are again made tenantable and restored to their former condition by the Lessor;



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and if the premises or a substantial part of the premises is rendered untenable by public authority or casualty and remain untenable for a period of thirty (30) days, the Lessee may, at its option, terminate this Lease by written notice to the Lessor. The Lessee's decision shall be controlling as to whether or not the premises are fit or unfit for occupancy. This 30-day period shall not be so restrictively construed that the Lessee is bound to remain in the leased facility if the Lessee's business cannot be safely executed. If warranted due to unsafe conditions, the Lessee is free to move elsewhere. If the premises are made tenable again within this 30-day period, the Lessee will return to the facility for occupancy. The Lessee may also choose to recover from Lessor any excess costs, over the abated Lease payments, occasioned by relocation due to untenability.

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 sixty (60) 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, but not limited to, administrative costs, from the rent, if the Lessor fails to fix the problem within a reasonable time after Lessee notifies the Lessor in writing of the 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, but not limited to, 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 a reasonable time after receiving written notification of the default from the Lessee, the Lessee may terminate the Lease by giving 10 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 32 ("Untenantability").~~

34. **INDEMNIFICATION:** The Lessor shall indemnify, hold harmless, and defend the Lessee from and against any claim of, or liability for, error, omission, or negligent act of the Lessor under this Lease. The Lessor will not be required to indemnify the Lessee for a claim of, or liability for, the independent negligence of the Lessee. If there is a claim of, or liability for, the joint negligent error or omission of the Lessor and the independent negligence of the Lessee, the indemnification and hold harmless obligation shall be apportioned on a comparative fault basis. In this section 34, "Lessor" and "Lessee" include the employees, agents, and other contractors who are directly responsible, respectively, to each. In this section 34, "independent negligence" means negligence other than in the Lessee's selection, administration, monitoring, or controlling of the Lessor and in approving or accepting the Lessor's work.

35. **INSURANCE:** Without limiting the Lessor's indemnification responsibilities under section 34 ("Indemnification"), it is agreed that the Lessor shall purchase at its own expense and maintain



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In force at all times during the Lease the following insurance, except as provided elsewhere in this section 35:

- A. workers' compensation insurance as required by AS 23.30.045(d) for all employees engaged in work under the contract and as required by any other applicable law;
- B. comprehensive general liability insurance covering all business premises of, and operations by or on behalf of, the Lessor in the performance of the contract, including, but not limited to, blanket contractual coverage, products coverage, premises and operations coverage, independent contractors coverage, broad form property damage endorsement, and personal injury endorsement; the policy must have minimum coverage limits of \$1,000,000 combined single limit per occurrence; unless waived by the Lessee, the insurance policy shall name the Lessee as an additional insured;
- C. commercial automobile liability insurance covering all vehicles used by the Lessor in the performance of the contract, with minimum coverage limits of \$500,000 combined single limit per occurrence.

The Lessor is an entity without employees and does not have the workers' compensation insurance required above. If at any time during the term of the Lease, including any renewals, the Lessor hires one or more employees, the Lessor will purchase at its own expense and maintain in force at all times workers' compensation insurance under A. of this section 35 for the employee or employees and submit proof of the workers' compensation insurance to the Lessee.

Upon request, the Lessor shall provide the Lessee with evidence satisfactory to the Lessee of the insurance identified in B. - C. above. Each of the required insurance policies must provide for the Lessee to receive a 30-day prior notice of any cancellation. Where specific limits are shown above, it is understood that they are the minimum acceptable limits. If a policy contains higher limits, the Lessee will be entitled to coverage to the extent of the higher limits. All insurance policies must comply with, and be issued by, insurers licensed to transact the business of insurance in Alaska or in another state.

In addition, the Lessor shall require any contractor or subcontractor to provide and maintain for its employees workers' compensation insurance.

36. **DELAYS IN PERFORMANCE:** Delays in performance by the Lessor due to unforeseeable causes beyond the control and without fault or neglect of the Lessor may be excused. 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 Supply Officer in writing within ten (10) days of the commencement of the unforeseeable cause. The Supply Officer shall ascertain the facts and the extent of delay and the extent of the time for completing the project. The Supply Officer may approve an extension when, in the Supply Officer's judgment, the findings of fact justify an extension. Pending final decision on an extension of time under this section, the Lessor shall proceed diligently with the



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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.

37. **EXTENSION:** Any holding over after the expiration date of this Lease or of a renewal of this Lease shall be construed to be a tenancy from month-to-month at the same monthly rental rate, and on the same terms and conditions as specified in this Lease.
38. **TIME:** Time is of the essence.
39. **ASSIGNMENT OR TRANSFER:** Assignment or other transfer of this Lease is subject to Section 160 of the Procurement Procedures of the Alaska State Legislature. The Lessee's interest in this Lease may not be assigned without Lessor's prior written consent and Lessor's consent will not be unreasonably withheld.
40. **BINDING ON SUCCESSORS:** Subject to section 39, this Lease and all the covenants, provisions and conditions contained in the Lease shall inure to the benefit of and be binding upon the successors and assigns of the Lessor and the Lessee.
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 products 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 during the Lease, the Lessor must use, wherever practical, timber, lumber, and manufactured lumber products originating in this state from local forests.
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 and if the amendment does not amount to a material modification of the Lease.
43. **AUTHORIZATION: CERTIFICATION:** Execution of this Lease was authorized by a majority of the members of the Alaska Legislative Council at a meeting on January 15, 2004.

Funds are available in an appropriation to pay for the Lessee's monetary obligations under the lease through June 30, 2005. The availability of funds to pay for the Lessee's monetary obligations under the Lease after June 30, 2005, 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, 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.

44. **VENUE AND CHOICE OF LAW:** In the event that the parties of the Lease find it necessary to litigate the terms of the Lease, venue shall be the State of Alaska, First Judicial District, at Juneau and the Lease shall be interpreted according to the laws of Alaska.




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45. **ENTIRE AGREEMENT:** This Lease sets forth the entire understanding of Lessor and Lessee, and no modification may be made to this Lease except by written addendum signed by all parties.

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


Robert B. Acree 3/30/04
Member
Tax Identification No.: 03-0443569
Business License No.: 423463

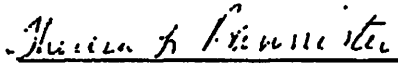
CERTIFYING AUTHORITY


Pamela A. Varni 4/6/04
Executive Director
Legislative Affairs Agency

LESSEE:
STATE OF ALASKA
LEGISLATIVE AFFAIRS AGENCY


Senator Gene Theriault 4/2/04
Chair
Alaska Legislative Council
Procurement Officer

APPROVED AS TO FORM:


Heidi K. Pennington 3-17-04
Legal Counsel Date

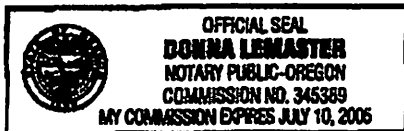


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~~OREGON~~
STATE OF ALASKA
Court of Mulholland } ss.
THIRD JUDICIAL DISTRICT

THIS IS TO CERTIFY that on this 30 day of March, 2004, 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 company, 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.

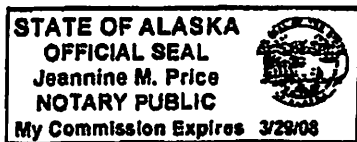


Donna Lemaster
Notary Public in and for ~~Alaska~~ Oregon
My commission expires: July 10, 2005

STATE OF ALASKA }
FIRST JUDICIAL DISTRICT } ss.

THIS IS TO CERTIFY that on the 2nd day of April, 2004, before me, the undersigned Notary Public in and for Alaska, duly commissioned and sworn as such, personally appeared SENATOR GENE THERRIault, 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 Instrument 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.



Jeannine M. Price
Notary Public in and for Alaska
My commission expires: 3/29/08

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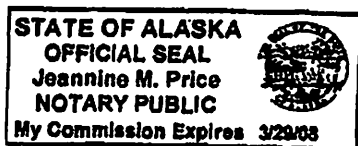
STATE OF ALASKA

FIRST JUDICIAL DISTRICT

)
) ss.
)

THIS IS TO CERTIFY that on the 6th day of April, 2004, 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.



Jeannine M. Price
Notary Public in and for Alaska
My commission expires: 3/29/08

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

After recording return to:
Jan Price, Supply Officer
Legislative Affairs Agency
State Capitol
Juneau, AK 99801-1182

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2004-024411-0

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2006-063569-0

Recording Dist: 301 - Anchorage
9/18/2006 4:02 PM Pages: 1 of 5



LEASE AMENDMENT NO. 1

THIS LEASE AMENDMENT, made and entered into on the date the Legislative Affairs Agency Executive Director or her designee signs the lease amendment, 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", hereby amends the lease dated April 6, 2004, recorded in Book 2004-024411-O, Pages 1 - 18, Anchorage Recording District, Third Judicial District, State of Alaska,

WITNESSETH

WHEREAS, Lessor is leasing to Lessee the following described premises, hereinafter "premises",

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;

WHEREAS, there has been a dispute between Lessee and Lessor as to the size and number of the reserved parking spaces provided to Lessee under the Lease;

WHEREAS, during the dispute described in the previous whereas clause, Lessee has rented additional parking spaces from another person and deducted the rental amount for these spaces from the rent paid by Lessee under this Lease; and

WHEREAS, this Lease Amendment represents a settlement of the dispute described in the previous two whereas clauses.

NOW, THEREFORE, LESSOR AND LESSEE AMEND THE LEASE AS FOLLOWS:

1. Section 1, "Rental Property and Rental Rate," of the Lease is amended by amending the phrase, "and Ninety-Eight (98) reserved off-street parking places," to now read "and Eighty-Six (86) reserved off-street parking places,"

2. Beginning on June 1, 2006, the monthly rental rate will be decreased by \$1,000.00 each month to reflect the reduced number of parking spaces that the Lessor will be providing to the Lessee.
3. The Lessor will permit the Lessee's security guard to occupy space in the first floor lobby common area space across from the elevators at no additional cost to the Lessee until the first floor lobby common area space is needed by the Lessor to fulfill space requirements of other tenants in the building.
4. Section 15, "Parking Requirements," of the Lease is deleted and replaced with the following section:
 15. **PARKING REQUIREMENTS:** The Lessor shall ensure the requirements of this section 15 are met.
 - A. Lessor will provide at no additional cost to the Lessee 86 off-street parking spaces in the upper and lower parking lots adjacent to the west side of the 716 West 4th Avenue building for the use of the Lessee and Lessee's invitees to the building. These 86 spaces must be available to Lessee and Lessee's invitees 24 hours a day 7 days a week.
 - B. Each parking space provided under A. of this sec. 15 shall be marked "Reserved" to identify the private parking nature of the space. The current striping of each parking space located in the upper and lower parking lots adjacent to the west side of the 716 West 4th Avenue building will remain in effect for the duration of the lease. In this subsection B, "current" means in existence on the date this lease amendment is entered into.
 - C. Parking spaces provided under A. of this sec. 15 must be of sufficient size to allow proper and easy parking and must have a hard and well-drained surface. Each parking space must be marked to provide for proper parking. All parking locations must be well lit and have good accessibility in and out of the parking area.
5. Notwithstanding any other provision in the Lease, Lessor waives any and all claims that Lessor may have or allege against the Lessee for or arising out of the Lessee's withholding of rent from the Lessor during the dispute between the Lessor and the Lessee over the size and number of the reserved parking spaces provided by Lessor under the Lease.
6. **AUTHORIZATION; CERTIFICATION:**

Execution of this lease amendment was authorized by a majority of the members of the Alaska Legislative Council at a meeting on May 22, 2006.

Execution of this lease amendment by the Legislative Affairs Agency Executive Director or her designee hereby constitutes a certification that funds are available in an



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appropriation to pay for Lessee's monetary obligations under the Lease through June 30, 2006. Availability of funds to pay for Lessee's monetary obligations under the Lease after June 30, 2006, is contingent upon the 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, the Lease will be terminated by the Lessee or amended. To terminate under this section, the Lessee shall provide notice of the termination to the Lessor.

7. All other provisions of the Lease will remain the same.

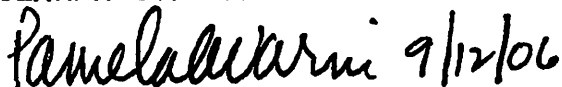
IN WITNESS WHEREOF, the Lessor and Lessee have executed this lease amendment and renewal on the day, month, and year indicated below.

LESSOR:

716 WEST FOURTH AVENUE, LLC

 8/23/06
Robert B. Acree Date
Member
Tax Identification No.: 03-0443569
Business License No.: 423463

CERTIFYING AUTHORITY

 9/12/06
Pamela A. Varni Date
Executive Director
Legislative Affairs Agency

LESSEE:

STATE OF ALASKA
LEGISLATIVE AFFAIRS AGENCY


Representative Pete Kott
Chair
Alaska Legislative Council 9-11-06
Procurement Officer Date

APPROVED AS TO FORM:

 6-14-2006
Legal Counsel Date



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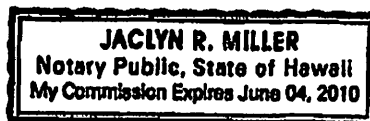
STATE OF ALASKA)
COUNTY OF HAWAII) ss.
THIRD JUDICIAL DISTRICT)

THIS IS TO CERTIFY that on this 23rd day of August, 2006, before me the undersigned Notary Public in and for the State of ~~Alaska~~ Hawaii, 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 amendment 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 amendment as his free and voluntary act and deed of said company, 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 Hawaii
My commission expires: _____




STATE OF ALASKA)
FIRST JUDICIAL DISTRICT) ss.

THIS IS TO CERTIFY that on the 11th day of September, 2006, before me, the undersigned Notary Public in and for Alaska, duly commissioned and sworn as such, personally appeared REPRESENTATIVE PETE KOTT, known to me and to me known to be the individual named in and who executed the above and foregoing lease amendment and renewal as the CHAIR OF THE ALASKA LEGISLATIVE COUNCIL, and he acknowledged to me that he executed the foregoing instrument 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.

STATE OF ALASKA
OFFICIAL SEAL
Wen C. Ibesate
NOTARY PUBLIC




Notary Public in and for Alaska
My commission expires: 9/3/07



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2006-063569-0

STATE OF ALASKA
FIRST JUDICIAL DISTRICT

)
) ss.
)

THIS IS TO CERTIFY that on the 12th day of September 2006, 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 amendment 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.

STATE OF ALASKA
OFFICIAL SEAL
Wen C. Ibesato
NOTARY PUBLIC



Wen C. Ibesato
Notary Public in and for Alaska
My commission expires: 9/3/07

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

After recording return to:
Jan Price, Supply Officer
Legislative Affairs Agency
State Capitol
Juneau, AK 99801-1182



**AMENDMENT NO. 2 AND RENEWAL OF LEASE**

LEASE AMOUNT FOR FIRST YEAR OF RENEWAL: \$637,137.72
(excluding CPI-U adjustment amount)

THIS AMENDMENT AND RENEWAL OF LEASE, made and entered into on the date the Legislative Affairs Agency 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", hereby amends and renews the lease dated April 6, 2004, recorded in Book 2004-024411-0, Anchorage Recording District, Third Judicial District, State of Alaska, and amended September 12, 2006.

WITNESSETH

WHEREAS, the Lessor is currently leasing to the Lessee the following described premises, hereinafter "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.

NOW, THEREFORE, LESSOR AND LESSEE, AGREE AS FOLLOWS:

1. That the Lease is renewed for a term of one (1) year beginning June 1, 2009, and terminating at 11:59 p.m. on May 31, 2010, with the Lessee having four (4) remaining one (1) year renewal options to be exercised by giving notice in writing to Lessor at the Lessor's above address at least thirty (30) days before the expiration of each term.
2. The monthly rental rate for this renewal term is Fifty-Three Thousand, Ninety Four, and 81/100 dollars (\$53,094.81). The rent will be adjusted the first of July in 2009 to reflect changes in the Lessor's variable costs. The adjustment will be based on the percentage of change, between 2003 and the calendar year before the calendar year of the adjustment, in the U.S. Department of Labor Consumer Price Index for All Urban

Consumers, Anchorage Area (CPI-U). The Annual Adjusted Monthly Rental Rate will be computed as follows:

PERCENTAGE OF CHANGE IN CPI-U

$$\frac{(\text{Annual average CPI-U for the calendar year preceding the year of adjustment}) - (\text{Annual average CPI-U for the calendar year 2003 (162.50)})}{162.50} = x$$

$$X / 162.50\% = y\%$$

ADJUSTED MONTHLY RENTAL RATE

$$[(35\% \times \text{Base Monthly Rental Rate}) \times \% \text{ of change in CPI-U}] + \text{Base Monthly Rental Rate} = \text{Adjusted Monthly Rental Rate.}$$

$$[(35\% \times \text{Base Monthly Rental Rate}) \times y\%] + \text{Base Monthly Rental Rate} = \text{Adjusted Monthly Rental Rate.}$$

2. Section 39, "Assignment or Transfer", of the Lease is amended to read:

39. **ASSIGNMENT OR TRANSFER:**

Assignment or other transfer of this Lease is subject to Section 160 of the Procurement Procedures of the Alaska State Legislature. The Lessee's interest in this Lease may not be assigned without Lessor's prior written consent and Lessor's consent will not be unreasonable withheld.

The Lessor consents to the Lessee's assignment to the Anchorage Community Development Authority (ACDA), an instrument of the Municipality of Anchorage, of a limited right to manage the Fifty-Two (52) parking spaces of the upper parking lot for off hours public parking based on the following terms:

- (1) Legislative Affairs Agency (LAA) will assign to ACDA the limited right to manage the Fifty-Two (52) parking spaces of the upper parking lot located at 716 West Fourth Avenue for off hours public parking at the following times:
 1. Twenty-four hours per day on weekends; and
 2. On weekdays, between the hours of 5:30 p.m. through 7:00 a.m.

However, upon prior written notice from LAA, ACDA will suspend public parking during these off-hour periods should LAA need these parking spaces for special events, such as legislative hearings.



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- (2) At all times Thirty-Four (34) parking spaces on the lower level of the parking lot located at 716 West Fourth Avenue will be reserved for exclusive use of LAA.
 - (3) At all times during which ACDA has the right to manage the parking on the upper level parking portion of the property for public parking, ACDA will maintain supervision of the property and all responsibility associated with it including, but not limited to, snow and ice removal. ACDA may provide for public parking upon such terms and conditions as it considers appropriate, in its sole judgement, including the use of signage, on-site or off-site patrons' security measures, and collection of any and all fees.
 - (4) 716 West Fourth Avenue, LLC, will pay ACDA the costs it currently pays for maintaining the parking lots in a safe condition and good state of general repair including, but not limited to, snow and ice removal, at all times.
 - (5) ACDA will select and install all revenue control equipment for the public parking spaces. The first \$25,000 in parking revenue shall be retained by ACDA to cover purchase of the revenue control equipment and for operations and maintenance costs.
 - (6) Any parking revenue received by ACDA from operations above \$25,000 shall be split equally between LAA and ACDA.
 - (7) ACDA shall provide enforcement for both the upper and lower levels of parking lots located at 716 West Fourth Avenue 24 hours per day / 7 days per week.
 - (8) ACDA shall not issue citations to or remove any vehicles that park on the upper and lower levels of parking lots located at 716 West Fourth Avenue if the vehicles are displaying an LIO or LAA approved legislative parking sticker.
 - (9) ACDA will hold LAA and 716 West Fourth Avenue, LLC harmless to the full extent provided by the law with respect to any claims arising out of the use of the parking areas during any period which ACDA has the right to manage and operate under this Agreement.
3. **AUTHORIZATION: CERTIFICATION:** Execution of this Lease Amendment and Renewal was authorized by a majority of the members of the Alaska Legislative Council at a meeting on January 27, 2009.



Funds are available in an appropriation to pay for the Lessee's monetary obligations under the lease through June 30, 2009. The availability of funds to pay for the Lessee's monetary obligations under the Lease after June 30, 2009, 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, 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.

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

Robert B. Acree 2/25/09
Robert B. Acree Date
Member
Tax Identification No.: 03-0443569
Business License No.: 423463

CERTIFYING AUTHORITY:

Pamela A. Varni 3/11/09
Pamela A. Varni Date
Executive Director
Legislative Affairs Agency

LESSEE:
STATE OF ALASKA
LEGISLATIVE AFFAIRS AGENCY

John Harris 3-3-09
Representative John Harris Date
Chair
Alaska Legislative Council
Procurement Officer

APPROVED AS TO FORM:

B. J. Kane 2/17/09
Legal Counsel Date

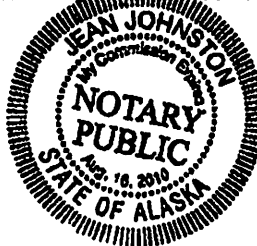


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STATE OF ALASKA)
) ss.
THIRD JUDICIAL DISTRICT)

THIS IS TO CERTIFY that on this 25th day of February, 2009, 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 company, 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.

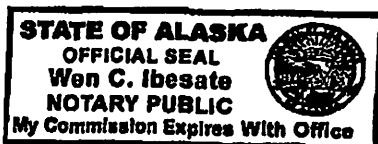


Jean Johnston
Notary Public in and for Alaska
My commission expires: 8/18/10

STATE OF ALASKA)
) ss.
FIRST JUDICIAL DISTRICT)

THIS IS TO CERTIFY that on the 3rd day of March, 2009, before me, the undersigned Notary Public in and for Alaska, duly commissioned and sworn as such, personally appeared Representative John Harris, 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 instrument 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.



Wen C. Ibesate
Notary Public in and for Alaska
My commission expires: "With Office"



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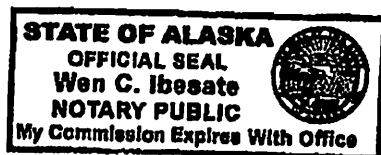
2009-017284-0

STATE OF ALASKA
FIRST JUDICIAL DISTRICT

)
) ss.
)

THIS IS TO CERTIFY that on the 11th day of March, 2009, 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.



Wen C. Ibesate
Notary Public in and for Alaska
My commission expires: "With Office"

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



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