

**CITY AND BOROUGH OF JUNEAU
JUNEAU INTERNATIONAL AIRPORT
LESSEENAME
BLOCK I, LOT __ LEASE**

PART I. PARTIES. This Lease is between the City and Borough of Juneau, Alaska, a municipal corporation in the State of Alaska, hereafter “City,” by and on behalf of the City and Borough of Juneau International Airport, hereafter “Airport” and LESSEENAME, in HISHER individual capacity, hereafter “Lessee.”

PART II. LEASE ADMINISTRATION AND NOTICE. All notices, demands or communications about this Lease shall be directed to the representatives named below. Reliance on any communication with any other person is at the party’s own risk.

City:	Lessee:
Attn: Airport Manager	Attn: LESSEENAME
Juneau International Airport	Lessee
1873 Shell Simmons Drive, Suite 200	ADDRESS
Juneau, Alaska 99801	ADDRESS
Phone: 907-789-7821	Phone:
Fax: 907-789-1227	Fax:

PART III. LEASE DESCRIPTION. This Lease agreement is identified as the Juneau International Airport-LESSEENAME, Block I, Lot __ Lease (hereafter “Lease” or “Agreement”). The following appendices are attached and considered a part of this agreement as well as anything incorporated by reference or attached to those appendices.

- Appendix A: Property Description & Additional Lease Provisions
- Appendix B: Airport Specific Provisions
- Appendix C: Lease Provisions Required by CBJ 53.20
- Appendix D: Standard Provisions

If in conflict, the order of precedence shall be: this document, Appendix A, B, C, and then D.

PART IV. LEASE EXECUTION. The City and Lessee agree and sign below. This contract is not effective until signed by the City.

City/Juneau International Airport

Lessee:

Date: _____

Date: _____

By: _____

By: _____

Authorized Representative
David R. Palmer
Manager, Juneau International Airport

Authorized Representative
LESSEENAME

Approved as to Form: _____

CBJ Law Department

CITY ACKNOWLEDGEMENT

STATE OF ALASKA)
) ss:
FIRST JUDICIAL DISTRICT)

THIS IS TO CERTIFY that on the ____ day of _____, 2008, before me, the undersigned, a Notary Public in and for the State of Alaska, duly commissioned and sworn, personally appeared David R. Palmer to me known to be the identical individual(s) described in and who executed the foregoing instrument as the MANAGER of the JUNEAU INTERNATIONAL AIRPORT of the CITY AND BOROUGH OF JUNEAU, a municipal corporation, who on oath stated that he was duly authorized to execute said instrument on behalf of said corporation, who acknowledged to me that he signed the same freely and voluntarily on behalf of said corporation for the uses and purposes therein mentioned.

WITNESS my hand and official seal the day and year in the certificate first above written.

Notary Public in and for the State of Alaska
My Commission Expires: _____

LESSEE ACKNOWLEDGEMENT

STATE OF ALASKA)
) ss:
FIRST JUDICIAL DISTRICT)

THIS IS TO CERTIFY that on the ____ day of _____, 2008, before me, the undersigned, a Notary Public in and for the State of Alaska, duly commissioned and sworn, personally appeared LESSEENAME to me known to be the identical individual described in and who executed the foregoing instrument as the Lessee, who on oath stated that HESHE was duly authorized to execute said instrument, and acknowledged to me that HESHE signed and sealed the same freely and voluntarily for the uses and purposes therein mentioned.

WITNESS my hand and official seal the day and year in the certificate first above written.

Notary Public in and for the State of Alaska
My Commission Expires: _____

APPENDIX A: PROPERTY DESCRIPTION & ADDITIONAL LEASE PROVISIONS

1. DESCRIPTION OF PROPERTY

The legal description of the property subject to this Lease, hereafter referred to as “the Property” or “the Leased Premises” is:

[Lot __, Block I, Juneau International Airport Lease Land Resubdivision of West End Subdivision, according to the Record of Survey Plat 2008-__, recorded _____[date] in the Juneau Recording District, First Judicial District, State of Alaska.]

Containing approximately _____ square feet, more or less, as depicted in the referenced Record of Survey, attached as Exhibit A.

2. AUTHORITY

This Lease is entered into pursuant to the authority of CBJ Code 05.20.020 Administration of Airport Lands, and CBJ Code Chapter 53.20 Leases. It was approved by motion of the Airport Board at a regular meeting on January 9, 2008.

3. TERM

The term of the Lease is twenty (20) years, commencing March 1, 2008 and expiring at midnight, February 29, 2028, unless sooner terminated.

4. LEASE PAYMENTS

For use and occupancy of the Leased Premises, Lessee shall pay annual rent, plus current sales tax. The initial rental rate, set for the subject land class by regulation 07 CBJAC 10.020(e)(1)(B), shall be \$0.38 per square foot, for a total annual rent of \$ _____, plus sales tax. The rental rate shall be reviewed and adjusted according to the provisions of CBJ Code 53.20.190(2) Adjustment of Rental, and CBJ Code 05.20.020 (c).

The annual lease payment (rent plus sales tax) shall be paid in advance in equal quarterly installments on or before the first day of each quarter (January 1, April 1, July 1, and October 1), with the exception of the first quarterly installment, which shall be paid March 1, 2008. Payment shall be by cash, check or money order payable to the order of "Treasurer, City and Borough of Juneau" and shall be mailed or personally delivered to the Office of the Treasurer, City and Borough of Juneau, 155 South Seward Street, Juneau, Alaska 99801.

Late payments shall accrue interest as provided in Appendix D. In addition to interest, a \$25.00 fee shall be charged for each check returned for nonpayment for any reason. Any rent, charge, fee or other consideration that is due and unpaid at the expiration or termination of this Lease will be a lien against the Leasehold improvements located on the Leased Premises.

5. AUTHORIZED USE OF PROPERTY

The Leased Premises shall be used exclusively for the indoor parking, storage and routine, light-duty maintenance of private aircraft, and related aviation purposes. For this purpose, Lessee is

authorized to construct and/or maintain a hangar facility, at no cost to the City, as provided in this Lease.

Vehicle(s) used to access the Leased Premises must be parked entirely on the Leased Premises so as not to obstruct adjoining roadways and taxi lanes. Parking or storage of boats, trailers, additional vehicles or non-aviation related equipment is strictly prohibited, unless specifically authorized in writing by the Airport Manager.

No use, storage or distribution of heating fuel, aircraft fuel or other flammable liquids or hazardous substances in a manner that violates city, state or federal law or regulation or that disregards the warnings, directions or other specifications for the substance shall be permitted on the Leased Premises. Bulk storage of fuel for distribution is prohibited on the Leased Premises.

6. INSPECTION; NO WARRANTIES

Lessee has inspected the Property and accepts possession of the Leased Premises and any improvements thereon, "as is" in its present condition. Lessee acknowledges that the City makes no express or implied representations or warranties whatsoever as to the suitability and sufficiency of the Leased Premises for the uses authorized hereunder and that Lessee is relying on Lessee's own knowledge and information. Notwithstanding the foregoing, the City represents that to its knowledge, the Leased Premises are free of adverse environmental conditions or contamination.

7. IMPROVEMENTS TO LEASED PREMISES

All development on the Leased Premises shall be subject to the Airport's review and approval, in accordance with CBJ Code 05.20.020(m), and the provisions of this Lease. To the extent a hangar facility is to be constructed, Lessee agrees to start construction within one year, and to secure a certificate of occupancy within two years, of the effective date of this Lease.

Construction of the hangar facility shall be according to design, color, quality, and construction standards approved by the Airport.

Except for emergency repairs required for safety, security or preservation of property, Lessee shall not alter or significantly modify the building, fixtures or electrical wiring, install equipment, or make other improvements to the Leased Premises without the prior written consent of the City, which consent shall not be unreasonably withheld.

All improvements must comply with applicable federal, state and local building, plumbing, fire and electrical codes, and be completed in a timely and workmanlike manner that does not unreasonably affect other Airport operations.

Lessee shall bear all costs of improvements to the Leased Premises including, but not limited to, all survey, design, permitting, utility installation, inspection, material, construction, demolition and waste disposal costs. Any agreed upon improvements or modifications to the Leased Premises are solely at the Lessee's option and shall not be considered or used to offset any rent owed the City, nor against any other obligation of this Lease unless explicitly agreed to in advance in writing.

Lessee understands and acknowledges that the existing or proposed hangar facility subject to this Lease may be part of a common wall hangar building that is situated on multiple lots and shared with other Airport lessees. Lessee agrees to cooperate and work with other Airport lessees, as appropriate, in the design, construction and maintenance of improvements made under this Lease. Lessee may execute cost-sharing, maintenance or other agreements with other Airport lessees, subject to the approval of the Airport. In no event shall the Airport's approval, or any term or agreement between lessees, operate to reduce, restrict, limit, delegate or otherwise modify the Lessee's legal obligations and liabilities under this Lease.

8. UTILITIES

The Airport does not provide or maintain utilities within or upon the Leased Premises. Lessee assumes full responsibility for the installation, maintenance and repair of all desired utility service lines on the Leased Premises, including, but not limited to, water lines, gas lines, electrical power and telephone conduit and lines, sanitary sewers and storm sewers, subject to the same terms set out above for "Improvements."

9. MAINTENANCE AND REPAIR

Lessee assumes the full responsibility, cost and expense for all cleaning, repair and maintenance of the Leased Premises and leasehold improvements in a good and workmanlike manner, whether such repair or maintenance is ordinary or extraordinary, structural or otherwise, unless specifically provided otherwise in this Lease.

Lessee's obligation shall not include cleanup or restoration associated with adverse environmental conditions that are determined to have preexisted Lessee's occupation of the Leased Premises or are not related in any way to Lessee's occupation of the premises.

The City shall have the right, but no legal obligation, to enter the Leased Premises to make such repairs or temporary alterations, at Lessee's expense, as deemed necessary for the immediate safety, security and preservation of the Leased Premises.

10. AIRPORT SERVICES

The City will operate the Airport for the use and benefit of the public, provided, however, that the City may prohibit or limit any given type, kind, or class of aeronautical use of the Airport if such action is necessary for the safe operation of the Airport or necessary to serve the civil aviation needs of the public. The Airport will use its best efforts to maintain the runways and taxiways in good repair, including the removal of snow.

The Airport agrees to keep in good repair roads for access to the Leased Premises and will provide snow removal and/or sanding for such access in the order of priority established by Airport maintenance.

11. RENEWAL/ PREFERENCE PRIVILEGE

Upon the Lease's expiration, or termination by mutual agreement, the Lessee shall be allowed a preference privilege to re-lease the Leased Premises, if all other pertinent factors are substantially equivalent, including, but not limited to, a finding that continued leasing of the

Property is consistent with the Airport Master Plan, the Airport Layout Plan, written Airport Board policies, and all applicable local, state and federal laws and regulations.

Not sooner than one hundred eighty (180) days and no later than sixty (60) days prior to the expiration of the Lease, the City shall notify Lessee of the approaching Lease expiration. Upon receipt of such written notification, Lessee shall have thirty (30) days to make application for a renewal Lease in writing on forms provided entitled "Application for Renewal of Lease," certifying under oath as to the character and value of all improvements existing on the lands, properties or interests, the purpose for which the Lessee desires a renewal Lease and such other information as the City may require to evaluate the renewal. Failure of Lessee to timely file such application shall be considered as a notification to not renew the Lease.

After receipt of the application, if the Lease offered the Lessee, if any, does not exceed a term of ten years, the Airport Manager may permit the Lessee to re-lease the subject lands under the same procedure, conditions and terms as the expired Lease, except that the rental rate shall be reviewed and adjusted before re-leasing, and the Airport Board must approve the re-lease. The Lessee shall exercise that right within 30 calendar days after the Lease is offered by the Airport Manager. Failure to do so shall result in forfeiture and cancellation of the preference privilege.

12. EXPIRATION OR TERMINATION OF LEASE

At the termination or expiration of the Lease, the Lessee may sell Lessee's improvements to another interested, qualified buyer, subject to the Airport's right of first refusal and subject to the Airport's finding that continued leasing of the Property is consistent with the Airport Master Plan, Airport Layout Plan, written Airport Board policies and all applicable local, state and federal laws and regulations.

Any such buyer may be required to negotiate a new lease with the City. If pertinent factors are not substantially equivalent and the City elects not to further lease the Leased Premises, or if Lessee is unable to find a buyer, Lessee will be required, at the City's option, to either remove the improvements at Lessee's expense and restore the premises to their original condition, allowing for reasonable wear and tear (at Lessee's option pavement may remain), or to sell Lessee's improvements to the City for the agreed upon fair market value of said improvements. Should the parties be unable to agree on a fair market value, the parties shall split the cost of retaining a qualified airport property appraiser to determine the appraised value of the subject improvements, which value shall be the purchase price.

13. HOLD HARMLESS AND INDEMNITY

The City, its employees, agents, volunteers, consultants, and insurers, shall not be liable in any way for any cost, claim, liability, damage or injury of any kind or nature including but not limited to, the cost of suit and expenses of legal services, claimed or recovered by any person whomsoever, occurring on or arising from, the use or occupancy of the Leased Premises by the Lessee, its agents, employees, contractors, sublessees, guests or invitees.

Moreover, Lessee agrees to defend, indemnify, and save City, its employees, agents, volunteers, consultants, and insurers, with respect to any action, claim, or lawsuit arising out of the use and occupancy of the Leased Premises by Lessee, its agents, employees, contractors, sublessees,

guests or invitees. This agreement to defend, indemnify, and hold harmless is without limitation as to the amount of fees, and without limitation as to any damages resulting from settlement, judgment, or verdict, and includes the award of any attorneys fees even if in excess of Alaska Civil Rule 82. The obligations of Lessee arise immediately upon notice to the City of any action, claim, or lawsuit. City shall notify Lessee in a timely manner of the need for indemnification, but such notice is not a condition precedent to Lessee's obligations and may be waived where the Lessee has actual notice. This agreement applies, and is in full force and effect whenever and wherever any action, claim, or lawsuit is initiated, filed, or otherwise brought against City.

The foregoing provision shall not be construed to indemnify the City for such damages that arise from bodily injury or property damage caused by or resulting from the negligence or willful misconduct of the City.

14. INSURANCE

Lessee understands that the City carries no fire or other casualty insurance on the Leased Premises or improvements located thereon, and that it is Lessee's obligation to obtain adequate insurance for protection of Lessee's buildings, improvements, fixtures, or personal property located on the Leased Premises.

Lessee shall maintain, with respect to the Leased Premises, for the duration of the Lease and any extension thereof, the following types of insurance with companies qualified to do business in the State of Alaska. Subject to Lessee's right to maintain reasonable deductibles in such amounts as approved by the City, the Lessee shall purchase, at its own expense, the following minimum type and amount of insurance:

1. General Liability Insurance:

Such insurance shall cover the Lessee for bodily injury and property damage liability including coverage for premises and operations, contractual liability, broad form property damage, and personal injury liability.

The minimum limit of liability shall be \$250,000 for each occurrence. The City and Borough of Juneau shall be named as an additional insured under such policy.

2. Property Insurance:

Such insurance shall cover physical damage to the structures or other improvements on the Leased Premises, and shall include debris removal coverage.

Lessee shall timely provide to the Airport administration office, Certificates of Insurance evidencing the above-required insurance, and certificates evidencing renewal or replacements of said policies of insurance thereafter at least thirty (30) days prior to the expiration, cancellation, or material change of any such policies.

Lessee's policies of insurance shall not be construed to limit Lessee's liability, or as full performance on its part of the indemnification provisions of this Lease. Lessee's obligation to

indemnify encompasses the full and total amount of any damage, injury, or loss caused by or attributable to its activities conducted at or upon the Airport. The Airport shall not be liable for any shortfall in Lessee's coverage.

15. PROPERTY DAMAGE OR DESTRUCTION

In the event any permanent improvements on the Leased Premises are damaged or destroyed to the extent that they are unusable for the purposes for which they were used prior to such damage, the Lessee shall have the election of repairing or reconstructing the improvements substantially as they were immediately prior to such casualty or in a new or modified design. The Lessee shall give the Airport written notice of its election hereunder within sixty (60) days after the occurrence of such casualty.

If Lessee elects to repair or reconstruct improvements Lessee shall, at its expense, replace and repair any and all fixtures, equipment and other personal property necessary to properly and adequately continue its aviation activity at the Airport, but in no event shall Lessee be obligated to provide equipment and fixtures in excess of those existing prior to such damage or destruction except for requirements of all construction codes existing at the time of repair or replacement.

The Lessee agrees that such work will be promptly commenced and prosecuted to completion with due diligence: subject to delays beyond the Lessee's control. Delays attributable to investigation, litigation, and other matters shall not be considered. Lessee has the duty to mitigate its damages by promptly repairing and replacing the damaged portions of the improvements.

If the Lessee elects not to repair or to reconstruct the damaged permanent improvements, the Lessee shall, at its own cost and expense: remove all debris resulting from such damage to the Leased Premises including, foundations, if appropriate, concrete piers, etc.; stub up all utilities; take all actions necessary to repair and restore the integrity of the common walls and structure to comply with local fire and building codes; and, as necessary, restore the surface to a level condition at its original elevation. Such obligation shall be in addition to any legal liabilities Lessee may have to the City for such property damage.

16. COMPLIANCE WITH LAWS RELATING TO HAZARDOUS MATERIALS

Lessee shall comply with all federal, state and municipal environmental laws, rules and regulations relating to hazardous materials and hazardous waste. Lessee will be held fully responsible for containment of any fuel spills, associated cleanup of any property contaminated by such spills, and any other environmental pollution resulting from the operations of the Lessee, its agents, contractors, sublessees, guests and invitees.

Lessee shall indemnify, defend, and hold the Airport and the City harmless from any and all claims, judgments, damages, penalties, fines, costs, liabilities, or losses which arise if Lessee breaches the obligations stated, or if the presence of hazardous materials caused or permitted by Lessee, its agents, contractors, sublessees, guests, or invitees results in contamination of the Leased Premises or any other premises at the Airport. This indemnification includes, without limitation, all costs incurred in connection with any investigation of site conditions or any cleanup, remedial, removal or restoration work required by any federal, state or municipal

governmental agency because of hazardous materials present in the soil or ground water in, on, under or emanating or flowing from the Leased Premises. Lessee shall take prompt reasonable action, at its expense, necessary to return the Leased Premises or such other property to the condition existing prior to the exposure of hazardous materials. These obligations do not terminate on the expiration or termination of this Agreement.

The term “hazardous material” includes any material or substance that is defined as a hazardous substance or waste under federal, state or municipal law.

Prior to the termination or expiration of this Lease or any renewals, the City shall notify Lessee if it has determined that there is good cause for an environmental audit to be performed on the property as a result of Lessee’s use of or conduct on the Leased Premises. The City shall state the basis of its determination. Lessee may respond to such a determination, and may comply with the following provisions under protest:

1. Upon receipt of such notice from the City, Lessee shall arrange and pay for an environmental audit of the Leased Premises by a qualified environmental auditor acceptable to both parties. The audit shall include a review of relevant records available from federal and state environmental agencies; a physical inspection of the Leased Premises, interviews with employees and other persons who have worked on the Leased Premises; and, if the auditor believes they are warranted, soil, water, and air testing.
2. If the Lessee has complied with the preceding paragraph and paid for an environmental audit, and such an audit reveals no environmental damage on the Leased Premises attributable to the events or conduct of Lessee, its agents, contractors, sublessees, guests, or invitees, then the City shall reimburse Lessee for the documented cost of the audit.

17. EVENTS CONSTITUTING DEFAULT

The City may consider any of the following events to be a default under this Lease:

- 1) Failure to comply with any term of the Lease.
- 2) Any unlawful use of the Leased Premises.
- 3) Failure to comply, after notice, with any effective law and/or regulation, including Airport rules and regulations.
- 3) The filing by the Lessee of a voluntary petition in bankruptcy, or any assignment for benefit of creditors of all or any part of the Lessee’s assets; or,
- 4) Any institution of proceedings in bankruptcy against the Lessee; provided, however, that the Lessee may defeat such termination if the petition is dismissed within sixty (60) days after the institution thereof; or
- 5) The filing of petition requesting a court to take jurisdiction of the Lessee or its assets under the provision of any Federal reorganization act which, if it is an involuntary petition and is not dismissed within sixty (60) days after its being filed; or
- 6) The filing of a request for the appointment of a receiver or trustee of the Lessee’s assets by court of competent jurisdiction, which if the request made by the Lessee is not rejected within sixty (60) days after being made, or the request for the appointment of a receiver or trustee of the Lessee’s assets by a voluntary agreement with the Lessee’s creditors.

18. GOVERNING LAW AND VENUE

Alaska law shall govern the construction, validity, performance, and enforcement of this Lease. Venue as to any action, claims, or proceedings arising out of, or based upon this Lease shall be in the First Judicial District, at Juneau, Alaska.

19. TOTAL AGREEMENT

This document contains the entire agreement between the parties and may not be modified except in writing. There are no oral promises, representations, or warranties between the parties regarding any portion of this Lease.

20. HEADINGS

The headings of the several sections and subsections are for convenience only and do not define, limit, or construe the contents of such sections or subsections.

21. VALIDITY OF PARTS

If any term, provision, condition, or part of this Lease is declared by a court of competent jurisdiction to be invalid or unconstitutional, the remaining terms, provisions, conditions, or parts of this Lease shall continue in full force and effect.

22. TIME OF THE ESSENCE

Time is of the essence for each term, condition, covenant, and provision of this Lease.

APPENDIX B: AIRPORT SPECIFIC LEASE PROVISIONS

1. CITY REPRESENTATIVE

The Airport Manager may act on behalf of the City unless otherwise specifically provided herein.

2. REFERENCES TO LESSEE

All references to Lessee in this Lease shall mean, in addition to Lessee, Lessee's successors and assigns, and Lessee's employees, servants, agents, invitees, customers, licensees, contractors, subcontractors and sublessees.

3. CONTRACTS WITH THE FEDERAL GOVERNMENT

This Agreement shall be subordinate to the provisions of any existing or future contracts between the City (or Airport) and the United States Government relative to the operation or maintenance of the Airport, the execution of which has been or may be required as a condition precedent to the transfer of federal rights or property to the City or Airport for Airport purposes, or to the expenditure of federal funds for the development of the Airport, in accordance with any applicable federal law.

4. FEDERAL GOVERNMENT EMERGENCY CLAUSE

All provisions of this Agreement shall be subordinate to the rights of the United States of America to operate the Airport or any part thereof during time of war or national emergency. In such event, the Airport shall have the right to appropriate all or any part of the landing area or of the Airport to the federal government, and the provisions of this Agreement insofar as they may be inconsistent with such appropriation, shall be suspended, without extending the term of this Agreement. Abatement of rentals shall be reasonably determined by the Airport and Lessee in proportion to the degree of interference with the Lessee's use of the Leased Premises.

5. AIRPORT SECURITY REQUIREMENTS

Lessee will maintain airport security relative to its exclusive and common use spaces, if any, as required by the Juneau International Airport Security Plan and related federal regulations, as amended. Lessee is responsible for the actions and location on the Airport property of all individuals and vehicles permitted on Airport property by the Lessee. Lessee will require all such individuals and vehicles to follow Airport security and access regulations. Failure to comply with Airport or federal agency requirements may result in restriction or prohibition of access. Lease does not confer access onto airport property.

6. REIMBURSEMENT OF CIVIL PENALTY

In the event that the City or Airport shall be subject to any fine or penalty by reason of any violation at the Airport of any governmental (including but not limited to Transportation Security Administration or Federal Aviation Administration) rules, regulations or standards as they now exist or may hereafter be promulgated or enacted, the Airport may conduct an investigation and make a determination as to the identity of the party responsible for the violation. If it is determined by the City that the Lessee is responsible for all or part of the fine or penalty, the Lessee shall pay said amount of the fine or penalty, plus a 20% administrative fee to be paid to the City, provided that the City notifies the Lessee of its determination of responsibility within

City and Borough of Juneau

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five (5) days of the determination. The City and Lessee shall each have the right to contest the validity or amount of such fine or penalty before the governmental entity seeking to impose such fine or penalty. In addition, upon request, the Lessee shall provide all information, of which Lessee is aware, to the City concerning the incident(s) resulting in the violation, and shall otherwise participate in any reasonable manner in the City's response and/or appeal to the governmental entity seeking to impose the fine or penalty.

7. AIRPORT MASTER PLAN

The City reserves the right to develop and improve the Airport without interference or hindrance by or on behalf of the Lessee. Lessee agrees that no liability shall attach to the City or Airport and their officers, agents, employees, contractors, subcontractors and representatives by reason of any efforts or action toward implementation of any present or future master plan for the development or expansion of the Airport or the aviation noise abatement program at the Airport consistent with federal law, and, for and in consideration of the granting of the rights and privileges herein granted, the Lessee waives any right to claim damages or other consideration arising therefrom.

8. AIRSPACE

The City reserves the right to take such action it considers necessary to protect the aerial approaches to the Airport against obstruction, together with the right to prevent Lessee from erecting or permitting to be erected any building or other structure in the Airport which, in the opinion of the Airport, would limit the usefulness of the Airport or constitute a hazard to aircraft.

Except to the extent required for the performance of any obligations of the Lessee hereunder, nothing in this Agreement shall grant to Lessee any rights whatsoever in the airspace above the Leased Premises other than those rights which are subject to Federal Aviation Administration (or other successor agency) rules, regulations and orders currently or subsequently effective.

9. SIGNS

No signs, advertisements, or notices shall be inscribed, painted, affixed, or displayed in, on, upon, or behind any part of the Leased Premises, except as may be required or permitted by law and agreed upon by the parties in writing.

10. ELECTRONIC DEVICES

Lessee shall not install or use any electronic or electrical devices which may impair, distort, or otherwise adversely affect any navigational, air traffic, or communications facility used in the conduct of aircraft operations at the Airport.

11. FEDERAL, STATE, AND LOCAL LAW

Lessee, at its own expense, shall comply with all statutes, laws, ordinances, orders, directives, regulations and requirements of the federal, State, and local governments and the rules and regulations, and directives, which may be applicable to Lessee's operation at the Airport. Lessee shall comply with all rules and regulations issued by an insurer or underwriter applicable to Lessee's use of the Leased Premises for the correction, prevention, and abatement of nuisance or violations in, upon, or connected with the Leased Premises during the term of this Lease and for the prevention of fires.

12. FIRE EXTINGUISHERS

Lessee, at its expense, is responsible to maintain and keep in good working condition fire extinguishers on the Leased Premises.

13. INGRESS AND EGRESS/GATE PERMITS

The City grants Lessee the right of ingress to and egress from the Airport premises by Lessee, its agents, contractors, licensees, guests and invitees; provided, that such rights of ingress and egress shall at all times be exercised in compliance with any and all regulations promulgated by lawful authority for the care, operation, maintenance, and protection of the Airport and applicable to all users of the Airport; and provided, further, that such rights of ingress and egress shall not be construed to prohibit the City from establishing and assessing a fee or charge for the privilege of entry upon the Airport when such fee or charge is levied upon all users of the Airport.

Lessee understands and agrees that the issuance of a permit authorizing access to the Leased Premise is a privilege, the retention of which is conditioned on Lessee's continued and consistent compliance with all applicable Airport rules and regulations.

APPENDIX C: LEASE PROVISIONS REQUIRED BY CBJ 53.20

Responsibility to Properly Locate on Leased Premises.

As required by CBJ 53.20.160, it shall be the responsibility of the Lessee to properly locate Lessee and Lessee's improvements on the Leased Premises and failure to so locate shall render the Lessee liable as provided by law.

Approval of Other Authorities.

As required by CBJ 3.20.180, the issuance by the city and borough of Leases under the provisions of this title does not relieve the Lessee of responsibility of obtaining licenses or permits as may be required by the city and borough or by duly authorized state or federal agencies.

Terms and Conditions of Leases required by CBJ 53.20.190.

As required by CBJ 53.20.190, the following terms and conditions govern all Leases and are incorporated into this Lease unless modified by resolution of the assembly for this specific Lease. Modifications of the provisions of this appendix applicable to this specific Lease, if any, must specifically modify such provisions and be supported by the relevant resolution to be effective.

- (1) **Lease Utilization.** The Leased Premises shall be utilized only for purposes within the scope of the application and the terms of the Lease, and in conformity with the provisions of the city and borough code, and applicable state and federal laws and regulations. Utilization or development for other than the allowed uses shall constitute a violation of the Lease and subject the Lease to cancellation at any time.
- (2) **Adjustment of Rental.** The Lessee agrees to a review and adjustment of the annual rental payment by City not less often than every fifth year beginning with the rental due after completion of each review period. Any changes or adjustments shall be based primarily upon the values of comparable land in the same or similar areas; such evaluations shall also include all improvements, placed upon or made to the land, to which the city and borough has right or title excluding landfill placed upon the land by the Lessee except that the value of any improvements credited against rentals shall be included in the value. The Lessee may protest the adjustment to City, and if denied wholly or in part, an appeal may be taken to the assembly. The decision of the assembly shall be final.
- (3) **Subleasing.** The Lessee may sub-lease lands or any part thereof Leased to him hereunder; provided, that the proposed sublessee first applies to City for a permit therefor; and further provided, that the improvements on the Leased Premises are the substantial reason for the sub-lease. Leases not having improvements thereon shall not be sublet. Sub-leases shall be in writing and be subject to the terms and conditions of the original Lease; all terms, conditions, and covenants of the underlying Lease which may be made to apply to the sub-lease are hereby incorporated into the sub-lease.

(4) **Assignments.** Any lessee may assign the lands Leased to him; provided, that the proposed assignment shall be first approved by City. The assignee shall be subject to all of the provisions of the Lease. All terms, conditions, and covenants of the underlying Lease which may be made applicable to the assignment are hereby incorporated into the assignment.

(5) **Modification.** The Lease may be modified only by an agreement in writing signed by all parties in interest or their successor in interest.

(6) **Cancellation and Forfeiture.**

(A) The Lease, if in good standing, may be canceled in whole or in part, at any time, upon mutual written agreement by the Lessee and City.

(B) City may cancel the Lease if it is used for any unlawful purpose.

(C) If the Lessee shall default in the performance or observance of any of the Lease terms, covenants or stipulations thereto, or of the regulations now or hereafter in force, or any of the provisions of this code, and should the default continue for thirty calendar days after service of written notice by the city and borough without remedy by the Lessee of the conditions warranting default, the city and borough may subject the Lessee to appropriate legal action including, but not limited to, forfeiture of the Lease. No improvements may be removed by the Lessee or other person during any time the Lessee is in default.

(D) Failure to make substantial use of the land, consistent with the proposed use, within one year shall in the discretion of City with the approval of the assembly constitute grounds for cancellation.

(7) **Notice or Demand.** Any notice or demand, which under the terms of a Lease or under any statute must be given or made by the parties thereto, shall be in writing, and be given or made by registered or certified mail, addressed to the other party at the address of record. However, either party may designate in writing such new or other address to which the notice or demand shall thereafter be so given, made or mailed. A notice given hereunder shall be deemed delivered when deposited in a United States general or branch post office enclosed in a registered or certified mail prepaid wrapper or envelope addressed as hereinbefore provided.

(8) **Rights of Mortgagee or Lienholder.** In the event of cancellation or forfeiture of a Lease for cause, the holder of a properly recorded mortgage, conditional assignment or collateral assignment will have the option to acquire the Lease for the unexpired term thereof, subject to the same terms and conditions as in the original Lease.

(9) **Entry and Reentry.** In the event that the Lease should be terminated as hereinbefore provided, or by summary proceedings or otherwise, or in the event that the demised lands, or any part thereof, should be abandoned by the Lessee during the term, the City or its agents, servants, or representative, may, immediately or any time thereafter, reenter and resume possession of the lands or such thereof, and remove all persons and property therefrom either by summary proceedings or by a suitable action or proceeding at law without being liable for any damages therefor. No reentry by the City shall be deemed an acceptance of a surrender of the Lease.

(10) **ReLease.** In the event that the Lease should be terminated as herein provided, or by summary proceedings, or otherwise, City may offer the lands for Lease or other appropriate disposal pursuant to the provisions of the city and borough code.

(11) **Forfeiture of Rental.** In the event that the Lease should be terminated because of any breach by the Lessee, as herein provided, the annual rental payment last made by the Lessee shall be forfeited and retained by the City as partial or total damages for the breach.

(12) **Written Waiver.** The receipt of rent by the City with knowledge of any breach of the Lease by the Lessee or of any default on the part of the Lessee in observance or performance of any of the conditions or covenants of the Lease, shall not be deemed to be a waiver of any provision of the Lease. No failure on the part of the City to enforce any covenant or provision therein contained, nor any waiver of any right thereunder by the City unless in writing, shall discharge or invalidate such covenants or provisions or affect the right of the City to enforce the same in the event of any subsequent breach or default. The receipt, by the City, of any rent or any other sum of money after the termination, in any manner, of the term demised, or after the giving by the City of any notice thereunder to effect such termination, shall not reinstate, continue, or extend the resultant term therein demised, or destroy, or in any manner impair the efficacy of any such notice or termination as may have been given thereunder by the City to the Lessee prior to the receipt of any such sum of money or other consideration, unless so agreed to in writing and signed by the City.

(13) **Expiration of Lease.** Unless the Lease is renewed or sooner terminated as provided herein, the Lessee shall peaceably and quietly leave, surrender and yield up unto the City all of the Leased Premises on the last day of the term of the Lease.

(14) **Renewal Preference.** Any renewal preference granted the Lessee is a privilege, and is neither a right nor bargained for consideration. The Lease renewal procedure and renewal preference shall be that provided by ordinance in effect on the date the application for renewal is received by the designated official.

(15) **Removal or Reversion of Improvements upon Termination of Lease.** Improvements owned by the Lessee shall within sixty calendar days after the termination of the Lease be removed by Lessee; provided, such removal will not cause injury or damage to the lands or improvements demised; and further provided, that City may extend the time for removing such improvements in cases where hardship is proven. Improvements owned by the Lessee may, with the consent of City, be sold to the succeeding lessee. All periods of time granted the Lessee to remove improvements are subject to the Lessee's paying to the city and borough pro rata Lease rentals for the period.

(A) If any improvements and/or chattels not owned by City and having an appraised value in excess of five thousand dollars as determined by the assessor are not removed within the time allowed, such improvements and/or chattels shall, upon due notice to the Lessee, be sold at public sale under the direction of City. The proceeds of the sale shall inure to the Lessee preceding if Lessee placed such improvements and/or chattels on the lands, after deducting for the city and borough rents due and owing and expenses incurred in making such sale. Such rights

to the proceeds of the sale shall expire one year from the date of such sale. If no bids acceptable to the city and borough manager are received, title to such improvements and/or chattels shall vest in the city and borough.

(B) If any improvements and/or chattels having an appraised value of five thousand dollars or less, as determined by the assessor, are not removed within the time allowed, such improvements and/or chattels shall revert to, and absolute title shall vest in, the city and borough.

(16) **Rental for Improvements or Chattels not Removed.** Any improvements and/or chattels belonging to the Lessee or placed on the Lease during the Lessee's tenure with or without his/her permission and remaining upon the premises after the termination date of the Lease shall entitle the City to charge the Lessee a reasonable rent therefor.

(17) **Compliance with Regulations and Code.** The Lessee shall comply with all regulations, rules, and the code of the city and borough of Juneau, and with all state and federal regulations, rules and laws as the code or any such rules, regulations or laws may affect the activity upon or associated with the Leased Premises.

(18) **Condition of Premises.** The Lessee shall keep the premises of the Lease in neat, clean, sanitary and safe condition and shall take all reasonable precautions to prevent, and take all necessary action to suppress destruction or uncontrolled grass, brush or other fire on the Leased Premises. The Lessee shall not undertake any activity which causes or increases a sloughing off or loss of surface materials of the Leased Premises.

(19) **Inspection.** The Lessee shall allow an authorized representative of the city and borough to enter the Leased Premises for inspection at any reasonable time.

(20) **Use of Material.** The Lessee of the surface rights shall not sell or remove for use elsewhere any timber, stone, gravel, peat moss, topsoils, or any other material valuable for building or commercial purposes; provided, however, that material required for the development of the Leasehold may be used, if its use is first approved by City.

(21) **Rights-of-Way.** The City expressly reserves the right to grant easements or rights-of-way across Leased land if it is determined in the best interest of the city and borough to do so. If the City grants an easement or right-of-way across any of the Leased Premises, the Lessee shall be entitled to damages for all Lessee-owned improvements or crops destroyed or damaged. Damages shall be limited to improvements and crops only, and loss shall be determined by fair market value. Annual rentals may be adjusted to compensate the Lessee for loss of use.

(22) **Warranty.** The city and borough does not warrant by its classification or leasing of land that the land is ideally suited for the use authorized under the classification or Lease and no guarantee is given or implied that it shall be profitable to employ land to said use.

(23) **Lease Rental Credit.** When authorized in writing by City prior to the commencement of any work, the Lessee may be granted credit against current or future rent; provided, the work accomplished on or off the Leased Premises, results in increased valuation of

the Leased or other city and borough-owned lands. The authorization may stipulate type of work, standards of construction and the maximum allowable credit for the specific project. Title to improvements or chattels credited against rent under this section shall vest immediately and be in the city and borough and shall not be removed by the Lessee upon termination of the Lease.

APPENDIX D: STANDARD PROVISIONS

- (1) **Holding Over.** If Lessee holds over beyond the expiration of the term of this Lease and the term has not been extended or renewed in writing, such holding over will be a tenancy from month-to-month only.
- (2) **Interest on Late Payments.** Should any installment of rent or other charges provided for under the terms of this Lease not be paid when due, the same shall bear interest at the rate established by ordinance for late payments or at the rate of 12 percent per annum, if no rate has been set by ordinance.
- (3) **Taxes, Assessments, and Liens.** During the term of this Lease, Lessee shall pay, in addition to the rents, all taxes, assessments, rates, charges, and utility bills for the Leased Premises and Lessee shall promptly pay or otherwise cause to be discharged, any claim resulting or likely to result in a lien, against the Leased Premises or the improvements placed thereon.
- (4) **Easements.** Lessee shall place no building or structure over any portion of the Leased Premises where the same has been set aside or reserved for easements.
- (5) **Encumbrance of Parcel.** The Lessee shall not encumber or cloud the City's title to the Leased Premises or enter into any Lease, easement, or other obligation of the City's title without the prior written consent of the City; and any such act or omission, without the prior written consent of the City, shall be void against the City and may be considered a breach of this Lease.
- (6) **Valid Existing Rights.** This Lease is entered into and made subject to all existing rights, including easements, rights-of-way, reservations, or other interests in land in existence, on the date of execution of this Lease.
- (7) **State Discrimination Laws.** Lessee agrees, in using and operating the Leased Premises, to comply with applicable sections of Alaska law prohibiting discrimination, particularly Title 18 of the Alaska Statutes, Chapter 80, Article 4 (Discriminatory Practices Prohibited.) In the event of Lessee's failure to comply with any of the above non-discrimination covenants, City shall have the right to terminate the Lease.
- (8) **Unsafe Use.** The Lessee shall not do anything in or upon the Leased Premises, nor bring or keep anything therein, which will unreasonably increase or tend to increase the risk of fire or cause a safety hazard to persons or obstruct or interfere with the rights of any other tenant(s) or in any way injure or annoy them or which violates or causes violation of any applicable health, fire, environmental or other regulation by any level of government.
- (9) **Hold Harmless.** Lessee agrees to defend, indemnify, and save City, its employees, volunteers, consultants, and insurers, with respect to any action, claim, or lawsuit arising out of the use and occupancy of the Leased Premises by Lessee. This agreement to defend, indemnify, and hold harmless is without limitation as to the amount of fees, and without limitation as to any damages resulting from settlement, judgment, or verdict, and includes the award of any attorneys fees even if in excess of Alaska Civil Rule 82. The obligations of Lessee arise immediately upon

notice to the City of any action, claim, or lawsuit. City shall notify Lessee in a timely manner of the need for indemnification, but such notice is not a condition precedent to Lessee's obligations and may be waived where the Lessee has actual notice. This agreement applies, and is in full force and effect whenever and wherever any action, claim, or lawsuit is initiated, filed, or otherwise brought against City.

(10) **Successors.** This Lease shall be binding on the successors, administrators, executors, heirs, and assigns of the Lessee and City.