

LEASED PREMISES.

- A. Description of Leased Premises. Lessor does hereby lease to Lessee, and Lessee hereby leases from Lessor, the Property (the "Leased Premises"), situated in Section 28, Township 13 North, Range 3 West, Seward Meridian, and more particularly described as:

Tract 1, U-MED PROFESSIONAL PARK SUBDIVISION TRACT 1 AND TRACT 2, according to the survey plat thereof filed in the Anchorage Recording District on November 23, 2004 as Plat No. 2004-149.

the Property, or the suitability of the Premises for the conduct of Lessee's business contemplated by Lessee. Lessee's possession of the Premises establishes that the Property is being leased to Lessee "As Is" with all faults, in their present condition and without any representation or warranty by Lessor whatsoever with respect to the condition thereof or the suitability for Lessee's use. This lease includes, but is not limited to, the condition of the soils, water drainage, access, easements, and other matters that may exist, or the merchantability, profitability, or fitness for any particular purpose, or the presence or absence of permafrost, and ground faults. Lessor warrants that the Property is free of all liens, claims, and other encumbrances, and that the Property is being leased to Lessee with all rights and interests therein.

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C. Reserved Rights.

- i. Lessor's Reserved Rights. Lessor reserves all rights not expressly granted to Lessee. These reserved rights include the following, at a minimum:
- A. the right to explore for, remove, and dispose of from the Property all resources;
 - B. the right to establish or grant easements and rights-of-way upon, in, across, or through the Property for any lawful purpose, including roads, railroads, well sites, pipelines, utility lines and drill holes necessary or convenient for the working of the Property for all resources, or necessary or convenient

- for access to or the working of other land for any useful purpose; and
- C. the right to manage and to convey to third parties by grant, lease, permit, or otherwise, any and all interests in the Property other than those granted by this Lease, provided that any such conveyance to a third party shall be made subject to Lessee's rights under this Lease.
- ii. Reservation of Minerals. All oil, gas, coal, geothermal resources, and minerals of whatever nature in or under the above-described land are excluded from the Leased Premises and reserved to Lessor.
- A. Notwithstanding the foregoing, Lessee shall have the right, subject to the terms of this Lease, to use earth materials on or in the above-described land to a depth not to exceed twenty (20) feet below the surface, and to move and recontour such materials on the Leased Premises. Unless otherwise provided for below or in other written authorization, Lessee may not sell or remove from the Property any timber, stone, gravel, topsoil, or any other material valuable for building or commercial purposes ("Material"). Lessee has the right to extract and use on the Property at no cost, Materials situated on, in, or under the Property consistent with the Property Development Plan, discussed in Section 5 (Leasehold Improvements) below, and for construction and maintenance of roads reasonably

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6. LESSEE'S COVENANTS.

- A. Utilities and Services. Lessee shall be responsible for and shall pay, prior to the delinquency date, all charges for utilities supplied to the Leased Premises for Lessee's activities. Lessor shall not be responsible for constructing or maintaining any utilities needed to service the Leased Premises for Lessee's activities and further makes no representation or warranty as to availability of such services. Lessor will, upon request by Lessee, provide reasonable utility easements to the extent that the development requires those utility easements.
- B. No Lessor Security Measures. Lessee shall be responsible for any security measures during the Lease. Lessor shall have no duty, obligation or responsibility whatsoever to provide guard service or other security measures for the benefit of Lessee in connection with Lessee's use and possession of the Leased Premises, and Lessee hereby releases Lessor from any and all responsibility for the security of Lessee and its agents, contractors, employees, and invitees on the Leased Premises from acts of third parties.
- C. Taxes and Assessments. Lessee shall be responsible for the payment of any and all taxes and assessments, including but not limited to property taxes levied upon the property and Improvements, as a result of Lessee's activities, and shall cause said taxes and assessments to be paid prior to the delinquency date. Lessor shall not be responsible for payment of any assessments or special assessments for provision of utilities to the Leased Premises for Lessee's activities. While the parties recognize that Lessor is a state instrumentality exempt from state and federal taxes, if the law changes such that Lessor becomes subject to a state or federal income tax, Lessee has no obligation to pay any income tax payable by or chargeable to Lessor.
- D. Liens. Lessee shall be solely responsible for paying for all labor performed upon or materials furnished to
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or maintain any building or other structure whatever between any street boundary of the Leased Premises and any setback along such boundary, except for fences or walls approved by Lessor.

H. Compliance with Laws. All Lessee Site Improvements and other Lessee Improvements to the Leased Premises shall conform to all applicable federal, state, and local laws, ordinances, codes and regulations including but not limited to occupational health and safety regulations, prevailing wages as determined by the Alaska Department of Labor and Work Force Development and the Americans with Disabilities Act.

I. Water Rights. All water rights applied for and secured during the Term of the Lease shall be in the name of Lessor and shall remain appurtenant to the property during the Term, and such water and water rights shall not be severed or transferred from the property or any part thereof without the prior written consent of Lessor which, at Lessor's sole discretion, may be withheld for any reason. Lessee shall assign all rights under any part of the Lease to Lessor upon termination of this Lease.

J. Alterations by Lessee. x 0.46pt for construction of Lessee's Improvements in accordance with the location of all landscaping, lighting and signage for the Improvements upon the Leased Premises, at the prior written consent of Lessor, which consent shall not unreasonably be withheld, conditioned or delayed. Notwithstanding anything contained herein to the contrary, all alterations, renovations,

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- i. If the taking by condemnation materially affects the use being made by Lessee of the Property, Lessee shall have the right to elect to terminate the Lease by written notice to Lessor received by Lessor not later than one hundred eighty (180) days after the earlier of the date of taking or of possession.
- ii. If Lessee elects to terminate the Lease, the provisions in subsection (A) of this Section shall govern the condemned portion of the Property and the covenants and conditions of the Lease govern disposal of the remainder of any buildings or improvements made by Lessee in accordance with the terms of Lease.
- iii. If the conditions set forth in (B)(i) above are not applicable or if Lessee elects not to terminate, the Lease continues and Lessor is entitled to the full condemnation proceeds except that Lessee shall be entitled to receive from the condemning authority the portion attributable to the fair market value, as determined in the condemnation proceedings, less any legal fees and costs incurred by Lessor to address such point in such proceedings of Lessee's interest in the Property including, buildings or Improvements taken that were placed on the condemned portion of the Property by Lessee in conformance with this Lease. Lessor shall have no duty whatsoever to pursue any compensation for Lessee's interest under the Lease or otherwise in any condemnation proceedings (or negotiations with any agency or body with the power of eminent domain) and it shall be Lessee's sole responsibility and obligation to raise and pursue such claims, if any, against the condemning authority. If Lessee fails to do so, it waives all rights to any portion of the proceeds from the condemnation. Rent at the existing rate will terminate on the date Lessee is required to surrender possession of the condemned portion of the Property. Except as it may be adjusted from time to time under the covenants and conditions of the Lease and applicable statutes, rent for the balance of the term will be adjusted by Lessor to reflect the pro rata portion of the Net Useable area of Property taken.

13. SURRENDER OF PREMISES AND REMOVAL OF IMPROVEMENTS.

- A. Surrender of Premises. Upon the expiration or other termination of the Term, Lessee shall surrender to Lessor the possession of the Leased Premises. Lessee shall leave the surrendered Leased Premises and any Improvements in a broom clean condition, subject to subsection B. If Lessee fails to surrender the edea of6(s)

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sublease hereunder, including the identity of the proposed assignee or subtenant. Lessee shall provide Lessor with such additional information as Lessor shall reasonably request regarding the proposed assignee or subtenant, its financial status and its experience. Lessor's consent to a sublease or assignment shall not relieve Lessee from full and primary liability under this Lease. All costs and fees reasonably incurred by

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within forty (40) days after the date of such termination; and such mortgagee, beneficiary or security

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for Workers' Compensation Insurance for any subcontractor(s) who directly or indirectly provides services under this contract. This coverage must include statutory coverage for states in which employees are engaging in work and employer's liability protection not less than ONE MILLION DOLLARS (\$1,000,000) each accident, ONE MILLION DOLLARS (\$1,000,000) each person and ONE MILLION DOLLARS (\$1,000,000) policy limit. Where applicable, coverage for all federal acts (i.e., U.S.L. & H and Jones Act) must also be included.

- v. Personal Property. Upon request from Lessor, Lessee and its contractor and subcontractor(s) of any tier shall purchase insurance to cover personal property of Lessee and its contractor and subcontractor(s) of any tier. In no event shall Lessor be liable for any damage to or loss of personal property sustained by Lessee and its contractor and subcontractor(s) of any tier, even if such loss is caused by the negligence of Lessor, its Board of Regents, officers, employees, agents and representatives.
- vi. Professional Liability. Upon request from Lessor, if available generally to members of the professions of Lessee and any of Lessee's contractor and subcontractor(s) of any tier, Lessee and its contractor and subcontractor(s) of any tier shall maintain Professional Liability (Errors & Omissions) insurance on a claims made basis, covering claims made during the policy period and reported within three years of the date of occurrence. Professional Liability shall include all errors, omissions, or negligent or wrongful acts of the Lessee, contractor, subcontractor, or anyone directly or indirectly employed by them, made in the performance of this contract which results in financial loss to the Lessor. Limits of liability shall be not less than ONE MILLION DOLLARS (\$1,000,000). Coverage shall be maintained for the duration of this contract plus THREE (3) YEARS following completion of construction.
- vii. Pollution Liability Insurance. Lessee and its contractor and subcontractor(s) of any tier, shall maintain Pollution Liability Insurance covering pollution legal liability arising from sudden and accidental and gradual pollution, and applicable to bodily injury, property damage, including natural resource damage, loss of use of damaged property or of property that has not been physically injured or destroyed; cleanup costs, removal, storage, disposal and or use of the pollutant; and defense, including costs and expenses incurred in the investigation, defense, or settlement of claims. Coverage shall be maintained in an amount of at least TWO MILLION DOLLARS (\$2,000,000) per loss. Coverage shall apply to sudden and gradual pollution conditions resulting in the escape or release of smoke, vapors, fumes, acids, alkalis, toxic chemicals, liquids or gases natural gas, waste materials, or other irritants, contaminants or pollutants. If coverage is written on a claims-made basis, the Lessee and its contractor and subcontractor(s) warrants that any prior acts or retroactive date applicable to coverage under the policy precedes the effective date of this contract; and that continuous coverage will be maintained or an extended discovery period will be exercised for a period of THREE (3) YEARS beginning from the time that work under this contract is completed. This policy shall name the Lessor as additional insured and waiver of subrogation language shall be included.
- viii. Excess Liability. If necessary to provide the required limits, required policy limits may be layered with a Commercial Umbrella or Excess Liability policy or policies. This policy shall name the Lessor as Additional Insured and waiver of subrogation language shall be included.
- ix. Lessor's Right to Request Other Insurance and Increased Insurance Coverage. Lessor may from time to time require that lessee provide commercially - reasonable insurance coverages for the benefit of the Lessor, of the types, amounts, terms and conditions determined by Lessor, including casualty insurance. Lessor reserves the right to increase the required insurance coverage limits from time to time to reflect then current industry standards or to accommodate changed conditions or perceived risks.

19. RIGHTS OF ACCESS.

- A. Lessor Access. Lessor and its officers, directors, agents, employees and contractors shall have the right to enter upon the Leased Premises at any time upon reasonable notice for the purpose of inspecting the same, provided that such access shall not materially and unreasonably interfere with Lessee’s use of the Leased Premises.
- B. Lessee Access. Lessor shall provide Lessee at all times with convenient and unimpeded vehicular and pedestrian access to the Leased Premises, except temporarily during times of emergency or required repair or as may otherwise be ordered by any governmental authority.
- C. Lessor’s Right of Access for Environmental Purposes. In addition to any right of access described elsewhere in this Lease, Lessee hereby agrees to provide Lessor access to the Premises at all reasonable times for the purposes of assessing, sampling, or otherwise determining the current environmental condition of the Premises and, if deemed necessary or prudent by Lessor in its sole discretion, conducting or implementing any interim or final cleanup measures or other action protective of human health and the environment, whether or not such action is required by a regulatory agency with jurisdiction in the matter.

20. **NOTICES.** Unless otherwise provided herein, all notices or other communications required or permitted by this Lease shall be in writing and shall be deemed to have been duly given on the date of delivery if delivered personally to the party to whom notice is given or if sent by confirmed facsimile transmission, by e-mail with delivery confirmation or read receipts requested, or on the date of actual delivery if sent by overnight commercial courier or by first class mail, registered or certified, with postage prepaid and properly addressed to the party at its address set forth below, or at any other address that any party may from time to time designate by written notice to the other:

LESSOR:
 University of Alaska
 Land Management Office
 1815 Bragaw Street, Suite 101
 Anchorage, Alaska 99508
 Phone: (907) 786-7766
 E-mail: _____

LESSEE:
 [Name of Lessee]
 [Address]
 [City], [State] [Zip Code]
 Phone: _____
 E-mail: _____

21. DEFAULT AND REMEDIES.

- A. Default of Lessee. Each of the following, but not limited thereto, shall be deemed a default by Lessee and a breach of this Lease:
 - i. A default in the performance of any covenants or condition on the part of Lessee to be performed, for a period of TEN (10) business days after the service of notice by Lessor, provided, however, that no default on the part of Lessee in the performance of work required to be performed or acts to be done or conditions to be modified shall be deemed to exist if before the end of such TEN (10) business day period, Lessee has begun to rectify the same, and thereafter prosecutes the curing to completion with diligence and continuity.
 - ii. The taking possession of the property of Lessee by any governmental office or agency pursuant to

statutory authority for the dissolution or liquidation of the Lessee.

iii. The vacation or abandonment of the Leased Premises by Lessee for more than SIXTY (60) days.

B. Remedies of Lessor. In the event of any default of Lessee as above provided, the Lessor shall have the following rights or remedies, in addition to any rights or remedies that may be given to Lessor by statute, law, equity or otherwise:

i. Re-enter the Leased Premises and take possession.

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