

STATE OF ALASKA

TONY KNOWLES, GOVERNOR

DEPARTMENT OF ADMINISTRATION
DIVISION OF GENERAL SERVICES

2400 VIKING DRIVE
ANCHORAGE, ALASKA 99501
PHONE: (907) 276-3320
FAX: (907) 278-0352

November 13, 1996

RECEIVED

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CITY OF VALDEZ

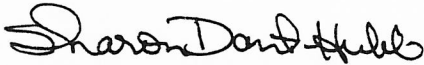
City of Valdez, Alaska
ATTN: David Dengel
P.O. Box 307
Valdez, AK 99686

Re: Lease No. 2417 State of Alaska, (Department of Health & Social Services)

Attached is a fully executed copy of Lease No. 2417 for your files.

We wish to thank you for your cooperation and willingness to lease space to the State of Alaska.

Sincerely,



Sharon Dant-Hubb
Administrative Assistant

SDH/sdh
Enclosure

cc: Department of Health & Social Services
Jim Culley

**STATE OF ALASKA
STANDARD LEASE FORM**

THIS INDENTURE, entered into this 4th day of October, 1996, by and between

**The City of Valdez
Mary Kevin Gilson Medical Center
PO Box 550
Valdez Alaska, 99686**

hereinafter called the Lessor, and

**STATE OF ALASKA
DEPARTMENT OF ADMINISTRATION -06**

hereinafter called the Lessee:

WITNESSETH:

That the Lessor does hereby demise and let unto Lessee the following described premises, to wit:

Approximately 710 square feet of dedicated office space and clinical space and approximately 184 square feet as a prorated share of common use area located on the ground floor of the Mary Kevin Gilson Medical Center at 1001 Meals Avenue, Valdez, Alaska 99686. Legal: Within a portion of United States Survey 636 and 637, township 8 south, range 6 west, section 32, Copper River meridian.

to have and to hold the same, with all appurtenances unto the Lessee for the term of five (5) years beginning on the 4th day of October, 1996, and ending on the 3rd day of October, 2001, at and for the rental of one thousand four hundred and twenty nine dollars and seventy six cents (**\$1,429.76**) per month payable on the first day of each and every month of said term at the office of the Lessor who's address is:

**Mary Kevin Gilson Medical Center
PO Box 550
Valdez Alaska, 99686**

of in advance at the option of the Lessee. Payment for any partial months occupancy shall be prorated, based on a thirty (30) day month.

Covenants of the Lessee:

1. The Lessee does hereby covenant and agree with the Lessor that it will:

- a. pay said rent at the times and place and in the manner aforesaid.
- b. use and occupy said premises in a careful and proper manner.
- c. not use or occupy said premises for any unlawful purpose.
- d. not assign this lease, not underlet said premises, nor any part thereof, without the written consent of the Lessor, provided however, such consent shall not be unreasonably withheld.
- e. not use or occupy said premises or permit the same to be used or occupied, for any purpose or business deemed extra-hazardous on account of fire, or otherwise.
- f. make no alterations or additions in or to said premises without the written consent of the Lessor, such consent shall not unreasonably be withheld.
- g. leave the premises at the expiration or prior termination of this lease or any renewal or extension thereof, in as good condition as received or in which they might be put by the Lessor, excepting reasonable wear and tear and/or, loss or damage caused by fire, explosions, earthquakes, acts of God, other casualty or as provided for in section 2.b. below.
- h. permit the Lessor to enter upon said premises at all reasonable times to examine the conditions of the same.

Covenants of the Lessor:

2. And the Lessor on part covenants and agrees with the Lessee that will:
 - a. maintain the demised premises in good repair and tenantable condition during the continuance of this lease or any renewal or extension thereof.
 - b. hold and save the State, its officers, agents and employees, harmless from liability of any nature or kind, including costs and expenses for or on account of any and all suits or damages of any character whatsoever resulting from injuries or damages sustained by any person or persons or property by virtue of any act performed by the Lessor or the Lessor's agents and employees pursuant to this lease; the Lessor shall also assume all insurable risks and bear any loss or injury to property or persons occasioned by neglect or accident during the tenure of this lease, excepting only sole negligence of the Lessee.

- c. furnish heat and cooling, electricity, water, trash removal, and sewage disposal, without additional cost to the Lessee, as required in the Invitation to Bid which is made a part of this lease.
 - d. maintain and keep stairway(s), elevators, and common or public hallway(s) used for access to the leased premises in a clean and safe condition.
 - e. renovate the space covered in this lease on a schedule comparable to any renovation in other parts of the building.
 - f. provide janitorial services as required in the Invitation to Bid which is made a part of this lease.
 - g. make any sale of the leased property during the term of the lease, or an extension thereof, subject to this lease. This also applies to any sales as a result of an encumbrance on the property that existed prior to the execution of this lease.
3. It is mutually agreed by and between the Lessor and Lessee that:
- a. all terms and conditions of the preceding covenants of both Lessee and Lessor are agreeable and accepted in their entirety, except as herein noted.
 - b. if the Lessee shall at any time be in default in the payment of rent herein reserved, or in the performance of any of the covenants, terms and conditions, or provisions of this lease, and the Lessee shall fail to remedy such default within sixty (60) days after written notice thereof from the Lessor, it shall be lawful for the Lessor to enter upon said premises and again have, repossess, and enjoy the same as if the lease had not been made, and thereupon this lease and everything herein contained on the part of the Lessor to be done and performed shall cease and determine without prejudice however, it shall be the right of the Lessor to recover from the Lessee all rent due up to the time of such entry. In case of any such default and entry by the Lessor, said Lessor may relet said premises for the remainder of said term for the highest rent obtainable, and may recover from the Lessee any deficiency between the amount so obtained and the rent herein reserved.
 - c. if the Lessee shall pay the rent as herein provided, and shall keep, observe, and perform all of the covenants of this lease by it to be kept, performed, and observed, the Lessee shall and may, peaceably and quietly, have, hold, and enjoy the said premises for the term aforesaid.

- d. this lease and all the covenants, provisions and conditions herein contained shall inure to the benefit of and be binding upon the successors and assigns of the parties hereto.
- e. the State shall have the sole option to renew this lease for three (3) additional one (1) year periods. These renewal options may be exercised solely by the State by giving the Lessor written notice prior to the expiration of each term.

Adjustments in the lease rate may be made if requested in writing by the lessor at least thirty days prior to the effective date of the adjustment.

The monthly lease cost may be adjusted effective 4 October 1997 and will be made in accordance with the percentage change in the U. S. Department of Labor Consumer Price Index (CPI-W), for the Urban Wage Earners and Clerical Workers, All Items, Anchorage Area, in effect for each January through June six (6) month average of the lease term.

The percentage difference between the CPI in effect for the **base year January through June 1996** six month average of **141.4** and each January through June six (6) month average thereafter will determine the maximum allowable adjustment of the variable costs over the base monthly lease cost. Variable costs are defined as all operational costs other than debt service and profit and further defined for the purpose of this lease as thirty-five percent (35%) of the Base Monthly Rental Rate. **The Base Monthly Rental Rate is \$1,429.76.**

The Annual Adjusted Monthly Rental Rate will be computed as follows:

$$35\% \times \$1,429.76 \times \% \text{ change in CPI} + \text{Base Monthly Rental Rate} = \text{Adjusted Monthly Rental Rate.}$$

Retroactive adjustments shall not be allowed.

- f. this lease is subject to all applicable laws of the State of Alaska or local government.
- g. payments of rent by the Lessee are subject to appropriation of funds by the Legislature of the State of Alaska, and the lease may be terminated due to lack of such appropriations.
- h. all conditions and covenants of the lease shall remain in full force and effect during any extension hereof. Any holding over after the

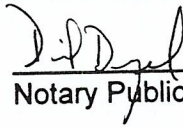
ACKNOWLEDGMENT OF LESSOR

STATE OF ALASKA

CITY OF VALDEZ

This is to certify that on this 5th day of November 1996, before me a Notary Public in and for the State of Alaska duly commissioned and sworn personally appeared Phil Hubbard to me known and known by me to be the person(s) described in and who executed the instruments set forth above and (He, She, It) severally stated to me under oath that (He, She, It) is Valdez City Manager and that (He, She, It) has been authorized by Valdez City Council to execute the forgoing lease for an on behalf of the said company, corporation, individual, or other entity and they executed same freely and voluntarily as a free act and deed of the City of Valdez.

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



Notary Public for Alaska

Residing at Valdez, Alaska

July 3, 1998

My Commission Expires

ACKNOWLEDGMENT BY LESSEE

STATE OF ALASKA

CITY OF ANCHORAGE

This is to certify that on this 13th day of November 1996, before me a Notary Public in and for the State of Alaska duly commissioned and sworn personally appeared Ben R. Milam to me known and known by me to be the person described in the executed instruments set forth above as an agent of the Division of General Services, State of Alaska and that He has been authorized by the State of Alaska to execute the foregoing lease and on behalf of said State of Alaska and that He executed the same freely and voluntarily as the free act and deed of the State of Alaska.

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



Sharon Dant-Hubb

Notary Public for Alaska

Residing at Anchorage, Alaska

My Commission Expires 20 October, 1998