

**DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES
TED STEVENS ANCHORAGE INTERNATIONAL AIRPORT**

SAMPLE LAND LEASE ADA-32370

The State of Alaska (State), Department of Transportation and Public Facilities, Ted Stevens Anchorage International Airport (Lessor), whose address is PO Box 196960, Anchorage, Alaska 99519-6960, and < (Lessee), whose address is <, enter into this Lease (Lease) of < pages, including exhibit(s) and signature page(s), and agree as follows:

ARTICLE I: DEFINITIONS

For the purposes of this Lease the following terms are defined:

1. Affected Property - Any property that contains Contamination in, on, or under the surface that was caused or Materially Contributed To by the Lessee or for which the Lessee assumed responsibility by reason of assignment.
2. Airport -Ted Stevens Anchorage International Airport. As applicable, "Airport" refers either or both to the Ted Stevens Anchorage International Airport as an operating entity, including its administrative management and operational employees, and to its land area and personal property, including the Premises as hereinafter defined.
3. Certificated Maximum Gross Takeoff Weight - means the certificated maximum gross takeoff weight of an aircraft as established by the FAA.
4. Certified Activity Report - A report that the Lessee must submit to the Lessor to report gross sales, fuel deliveries, passenger and cargo volumes, number of Landings, Certificated Maximum Gross Takeoff Weight, or other information and that is certified on behalf of the Lessee to be complete and accurate.
5. Commercial Fueling Service - means the selling or offering for sale of fuel, fuel storage, fuel delivery, or fuel dispensing, and excludes self-fueling.
6. Contamination -The unpermitted presence of any Released Hazardous Substance.
7. CPI - means the Consumer Price Index for All Urban Consumers (1982-1984 = 100), Anchorage Metropolitan Area, All Items, Not Seasonally Adjusted, as published by the United States Department of Labor, Bureau of Labor Statistics of the United States Department of Labor. In the event such Index is discontinued, comparable statistics in the purchasing power of the consumer dollar, as published at the time of said discontinuance by a responsible financial authority shall be selected at the Lessor's reasonable discretion and shall be used in lieu of such index.
8. Enplaned Passengers - means all revenue and non-revenue passengers embarking at the Airport to (a) originate air travel, (b) transfer between aircraft of the same airline, or (c) transfer between aircraft of different airlines. "Enplaned Passengers" does not

include through-passengers traveling on aircraft that stop at the Airport, but who do not change planes or leave the Airport before resuming their journey on the same aircraft.

9. Environmental Assessment - An assessment of property, prepared in a manner consistent with generally accepted professional practices, that is supported by reports and tests that determine the environmental condition of property and the presence, type, concentration, and extent of any Contamination in, on, and under the surface of the property.
10. Environmental Law - Any federal, State, or local statute, law, regulation, ordinance, code, Lease, order, decision, or judgment from a governmental entity relating to environmental matters, including littering and dumping. It includes, as applicable, 42 U.S.C. 7401-7671 (Clean Air Act); 33 U.S.C. 1251-1387 (Federal Water Pollution Control Act); 42 U.S.C. 6901-6992 (Resource Conservation and Recovery Act); 42 U.S.C. 9601-9657 (Comprehensive Environmental Response, Compensation, and Liability Act); 49 U.S.C. 5101-5127 (Hazardous Materials Transportation Act); 15 U.S.C. 2601-2692 (Toxic Substances Control Act); AS 46 (Alaska Water, Air, Energy, and Environmental Conservation Acts); and the provisions of 18 AAC (Environmental Conservation) implementing AS 46.
11. Environmental Liability Baseline - A description, accepted by the Lessor and documented by one or more Environmental Assessments and any other relevant documents, of the existence, location, level, and extent of Contamination in, on, or under the surface of the Premises that was neither caused nor Materially Contributed To by the Lessee, nor assumed by the Lessee by reason of assignment.
12. FAA - Federal Aviation Administration.
13. Gallon - One United States gallon volume measure of fuel, temperature corrected to 60 degrees Fahrenheit, according to American Petroleum Institute standards.
14. Hazardous Substance - Any substance that is defined under an Environmental Law as hazardous waste, hazardous substance, hazardous material, toxic, pollutant, contaminant, petroleum, petroleum product, or oil.
15. ITB – The Invitation to Bid that preceded this Lease, including the Terms of Invitation, Instructions to Bidders, Sealed Bid Submittal Form, Bidder’s Affidavit, Bidder’s Questionnaire, Sample Land Lease, and any Supplementary Information as modified or supplemented by addenda.
16. Materially Contribute To - To cause the Release or migration of a Hazardous Substance in a reportable quantity as defined under an applicable Environmental Law.
17. Mobile Fuel Tank - A truck or trailer with a mounted container designed or used for holding, transporting, or dispensing fuel.
18. Permanent Fuel Storage Tank - A container designed and constructed for storing fuel and either installed under ground or installed above ground and fixed to a concrete or piling foundation anchored in the ground.

19. Restricted Area – any area on the Airport where the Lessor has limited or controlled access for security or safety purposes.
20. Release - means any spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping, or disposing into the environment, including the abandonment or discarding of barrels, containers, and other closed receptacles containing any hazardous substance, but excluding
 - (a) any release that results in exposure to persons solely within a workplace, with respect to a claim that those persons may assert against the persons' employer; and
 - (b) emissions from the engine exhaust of a motor vehicle, rolling stock, aircraft, or vessel.
21. Site Development or Site Development Work - Activities to prepare land for construction of a building or other structure or to provide a firm surface on which to operate a vehicle or aircraft. Site Development Work includes efforts used in clearing, mucking, grubbing, and filling some or all of a site.
22. Site Development Materials - Materials used for Site Development. Site Development Materials includes geotextile, fill, gravel, paving, and pavement reinforcement materials.
23. TSA – Transportation Security Administration.

ARTICLE II: PREMISES

The Lessor leases to the Lessee and the Lessee leases from the Lessor the following described property, located on the Airport and hereinafter called the Premises, in an “as-is” condition. The Lessor makes no specific warranties, express or implied, concerning the title, condition, or use of the Premises, including survey, soils, wetlands, access, or suitability for any use, including those uses authorized by this Lease, unless otherwise specified in this Lease:

Block 13, Lot 1, consisting of approximately 222,295 square feet of land on the Ted Stevens Anchorage International Airport, as shown on Exhibit A, Sheet 1 of 2, dated April 18, 2023, attached to and made a part of this Lease.

ARTICLE III: USES

A. AUTHORIZED USES

1. This Lease is issued for the use of the Premises for the following authorized uses:

Construction, maintenance, and operation of a general aviation aircraft hangar complex; maintenance and parking of aircraft; aircraft tiedowns and tiedown rentals; air charter, air taxi, or flightseeing services; construction, maintenance, and operation of office space associated with the Authorized Uses; subleasing of facilities and office space associated with the Authorized Uses; associated vehicle parking.

2. The Lessee's use of the Premises is strictly limited to the above-stated use(s), as well as those operations and activities related to and required to support and operate any authorized facility unless prohibited in Section B (PROHIBITED USES) of this article. Use of the Premises for any other purpose without the prior written approval of the Lessor is prohibited.

B. PROHIBITED USES

The Lessee shall neither use nor allow the use of all or any part of the Premises for any of the following, nor otherwise engage in any of the following on the Airport (except as may be allowed under a separate agreement with the Lessor):

1. The outside storage of junk, salvage aircraft or vehicle parts, non-operational equipment, recreational equipment, unused or damaged equipment or material, or solid waste or debris; except to the extent directly related to and in support of an authorized use and on a portion of the Premises visually screened from adjacent properties.
2. Stripping, wasting, or removing any soil, gravel, or other State-owned material unless the Lessor approves in writing; except that material may be relocated within the Premises as provided under an Airport building permit.
3. Pushing snow off the Premises to outside the Premises' boundaries without the written authorization of the Lessor.
4. Placing, spilling, or dumping garbage, trash, sewage, refuse, or other waste material except in a waste receptacle the Lessor has approved for that purpose or in a waste receptacle designed and provided for that purpose by the Lessee on the Lessee's Premises.
5. Operating an incinerator or burning trash, brush, or other material without the written approval of the Lessor.
6. Installing a drinking water well where local water utility service is available.
7. The establishment or maintenance of any kind of temporary or permanent living quarters.
8. Selling or dispensing fuel off the Premises except as expressly authorized under a separate agreement with the Lessor.
9. Providing Commercial Fueling as a service on the Premises unless expressly authorized in Paragraph 1 of Section A (AUTHORIZED USES) of this article or under separate written agreement with the Lessor.
10. Storage of bulk fuel. Bulk fuel is defined as storage of 25,000 Gallons or more fuel.

C. RESERVED RIGHTS OF LESSOR

1. The Lessor reserves the right to grant to others any right or privilege on the Airport that the Lessor has not specifically and exclusively granted to the Lessee. The rights and privileges expressly granted to the Lessee in this Lease are the only rights and privileges granted to the Lessee under this Lease. The Lessee has no easements, rights, or privileges, express or implied, in or relating to Airport property other than those specifically granted under this Lease and any other written agreements between the parties.
2. The Lessor reserves the right to grant to third parties or to reserve to the Lessor easements or rights-of-way through, on, above, or under the Premises, so long as the easement or right-of-way does not unreasonably interfere with the Lessee's authorized use of the Premises.
3. The Lessor reserves the right of ingress to and egress from the Premises, including buildings, and the right to enter any part of the Premises for the purpose of inspection at any reasonable time, subject only to the Lessor's best efforts, except in the case of an emergency, to coordinate its inspection with the Lessee to minimize interference with the Lessee's operations and activities on the Premises.

ARTICLE IV: TERM

A. TERM

The Term of this Lease is years, beginning on and expiring on , subject to Article VII (IMPROVEMENTS), Section C. (REQUIRED IMPROVEMENTS AND INVESTMENT).

B. HOLDOVER

If the Lessee holds over and remains in possession of the Premises after the expiration, cancellation, or termination of this Lease, the holding over will not operate as an extension of the term of this Lease, but, with the consent of the Lessor, creates only a month-to-month tenancy, regardless of any rent payments that the Lessor accepts. The Lessee's obligations for performance under this Lease will continue during the month-to-month tenancy, and either party may terminate the month-to-month tenancy at any time by giving the other party at least thirty (30) days' prior written notice.

ARTICLE V: RENTS AND FEES

A. RENT

The rent for the Premises is \$26,675.40 per year, calculated at the published Lake Hood aeronautical rate of \$0.12 per square foot per year (\$0.12 x 222,295 square feet = \$26,675.40), payable annually in advance of the first day of each year of the Term of this Lease as specified in Article IV (TERM). The rent shall be prorated for any fractional year in the Term.

B. RENT ADJUSTMENT

1. The Lessor may adjust the rent per square foot for this Lease. However, the Lessor may not adjust the rent:
 - a. more often than once in a twelve-month (12-month) period;
 - b. during the first five (5) years of the Term of this Lease if the Term is more than ten (10) years; or
 - c. by more than 10 percent per year, compounded for each year since the date the rent for the Lease was last set or adjusted, and any adjustment may not result in rent greater than fair market rent.
2. On the sixth anniversary of the Commencement Date of this Lease, and again every year thereafter on such anniversary of the Commencement Date, unless mutually agreed to in writing by the parties, the Rent shall be adjusted based on the then-current CPI, as defined under Article I of this Lease. The annual rent adjustment (Rent Adjustment) shall be calculated by taking the current rental rate (Current Rental Rate) price per square foot and multiplying that Current Rental Rate by the calculated CPI percentage change over the past 12-month period. The Adjusted Rental Rate will in all cases be rounded-up to the nearest cent with a minimum increase of \$0.01 per year if the percentage increase in the CPI is positive. If, for the previous 12-month period, the percentage change in the CPI is negative or the CPI is unchanged, the rent will neither increase nor decrease and there shall be no Rent Adjustment for the next year. Example: If the Current Rental Rate is \$0.22 per square foot, and the CPI for the most recent 12-month period is two percent (2.0%), the Adjusted Rental Rate for the next 12-month period shall be twenty-three cents per square foot ($\$0.22/\text{sqft} \times 1.02 = \0.2244 , rounded-up to $\$0.23/\text{sqft}$). Over the course of the Term of the Lease, regardless of changes to CPI, the Current Rental Rate applied to Lessee shall not exceed the price per square foot rental rate constituting the Fair Market Value applied by the Airport to other tenants.
3. Any increase or decrease in the rent per square foot under paragraph 1 of this section shall, subject to Section A of Article XI (LAWS AND TAXES), not be inconsistent with, but may adjust the rental rate to the maximum extent permissible under, the then-applicable provisions of 17 AAC 42.125, 17 AAC 42.295, or any other applicable law in effect on the effective date of the rent adjustment.

G. PAYMENTS

The Lessee shall make all payments required under this Lease in cash or by check, credit card, bank draft, or postal money order for rents, charges, fees, or other consideration payable to the State of Alaska and deliver them to the Ted Stevens Anchorage International Airport, PO Box 196960, Anchorage, Alaska 99519-6960, or any other address that the Lessor may designate in writing.

The Lessee will make all payments required under this Lease in United States currency. The Lessee shall make its payments free from any claim, demand, setoff, or counterclaim of any kind against the Lessor.

H. INTEREST

Beginning the day after payment is due, interest at the rate provided in AS 45.45.010 will be assessed on any rent or fee that is not paid on time.

I. FEES VEST IN THE LESSOR

Whether for cash or credit, the fees due to the Lessor for the services the Lessee is authorized to provide under this Lease immediately vest in and become the property of the Lessor. The Lessee is responsible for those fees until delivered to the Lessor.

J. UNPAID FEES

Any rent, charge, fee, or other consideration that is due and unpaid at the expiration, termination, or cancellation of this Lease is secured by a possessory lien in favor of the Lessor against the Lessee's property, real or personal, on the Airport, which property is deemed to be in the possession of the Lessor for this purpose.

K. FINANCIAL RESPONSIBILITY

The Lessee has represented to the Lessor, and the Lessor has relied upon the representation of the Lessee, that the Lessee has financial responsibility sufficient to perform all terms of this Lease. The Lessee shall ensure that no check for payment of rents, charges, or fees owed by the Lessee to the Lessor is returned for insufficient funds, that no judgment of insolvency is entered by any court against the Lessee, that no petition in bankruptcy is filed by or against the Lessee, and that no trustee or receiver is appointed for the Lessee's assets in a proceeding brought by or against the Lessee.

L. APPLICABILITY TO SUBLESSEES, OR OTHER USERS

1. Excepting only Section A (RENT) and Section B (RENT ADJUSTMENT), all provisions of this Article V (RENTS AND FEES), shall be binding on any sublessee, or other user of the Premises, with respect to activities on the Airport conducted by or on behalf of that sublessee or other user; without limiting the applicability of any other provision of this Lease to sublessees, or other users of the Premises, the term "Lessee" as used in such provisions of this article shall expressly include sublessees and other users.
2. The Lessee shall condition each sublease and each other authorization for use of the Premises upon full compliance with applicable portions of this article. The Lessee shall ensure that all ground-handling of aircraft on the Premises is performed by holders of written authorization from the Lessor to provide such services.

ARTICLE VI: ENVIRONMENTAL ISSUES

A. ENVIRONMENTAL LIABILITY BASELINE

1. Responsibility for Ascertaining Environmental Condition of Premises

The Lessee has the sole responsibility under this Lease to ascertain the environmental condition and presence of Contamination in, on, and under the surface of the Premises, and is conclusively presumed to have caused or to have Materially Contributed To any Contamination of, or originating on, the Premises except as identified in an Environmental Liability Baseline. If known Contamination is on the property that has been closed out under alternate cleanup levels approved by the Alaska Department of Environmental Conservation (DEC), Lessee is responsible for following all restrictions set by DEC, including, but not limited to notifying any assignee of this Lease in writing of DEC's restrictions.

2. Financial Responsibility for Contamination on the Premises and on any Affected Property

The Lessee assumes financial responsibility to the Lessor for any Contamination in, on, and under the Premises and any Affected Property, except for Contamination that is identified in an Environmental Liability Baseline. This is without prejudice to the Lessee's right to seek contribution or indemnity from either prior lessees of the Premises and Affected Property, or other potentially responsible parties except for the Lessor.

3. Establishing an Environmental Liability Baseline

- a. If the Lessee wants to establish an Environmental Liability Baseline for all or any portion of the Premises, the Lessee shall provide the Lessor with an Environmental Assessment for that portion of the Premises.
- b. If the Lessee discovers Contamination in, on, or under the surface of the Premises, for any portion of the Contamination to be considered for inclusion in the Environmental Liability Baseline, the Lessee must demonstrate by clear and convincing evidence to the satisfaction of the Lessor that the Contamination proposed for inclusion was not caused or Materially Contributed To by the Lessee or the Lessee's operations or activities nor assumed by the Lessee by reason of assignment. In light of the Lessee's responsibility under Article VIII (OPERATIONS), Section D (LESSEE'S CONTROL AND RESPONSIBILITY) of this Lease for the acts of its sublessees, contractors, and guests on the Premises, Contamination caused or Materially Contributed To by activities of the Lessee's sublessees, contractors, and guests on the Premises are deemed to be Materially Contributed To by the Lessee.
- c. Only that portion of Contamination not caused or Materially Contributed to by the Lessee or the Lessee's operations or activities, nor assumed by the Lessee by reason of assignment, shall be included in the Environmental Liability Baseline.

4. Adding to an Existing Environmental Liability Baseline

- a. If, after an Environmental Liability Baseline is established for any portion of the Premises, the Lessee discovers Contamination in, on, or under the surface of that portion of the Premises having an Environmental Liability Baseline, which Contamination the Lessee or the Lessee's operations or activities did not cause or Materially Contribute To, and which the Lessee did not assume by reason of assignment, the Lessee may, at its own cost, submit an additional Environmental Assessment reflecting that information to the Lessor for the Lessor's consideration to add to the Environmental Liability Baseline. The Lessee's additional Environmental Assessment must demonstrate by clear and convincing evidence to the satisfaction of the Lessor which portion of the additional Contamination on the Premises was not caused or Materially Contributed To by the Lessee or the Lessee's operations or activities nor assumed by the Lessee by reason of assignment.
- b. Only that portion of Contamination not caused or Materially Contributed To by the Lessee or the Lessee's operations or activities, nor assumed by the Lessee by reason of assignment, may be added to the existing Environmental Liability Baseline.

5. Lessor's Acceptance or Rejection of Lessee's Environmental Assessment

When the Lessor receives the Lessee's Environmental Assessment to establish an Environmental Liability Baseline or to add to an existing Environment Liability Baseline, the Lessor, in its sole discretion, will do one of the following:

- a. Accept the findings of the Lessee's Environmental Assessment and any other relevant documents to establish an Environmental Liability Baseline for that portion of the Premises being assessed or to add to the existing Environmental Liability Baseline.
- b. Reject the findings of the Lessee's Environmental Assessment for that portion of the Premises being assessed and offer the Lessee the opportunity to perform additional environmental testings if the Lessor determines in writing that the findings of the Environmental Assessment are inadequate to establish an Environmental Liability Baseline or to add to an existing Environmental Liability Baseline. The Lessor's written rejection of the Lessee's Environmental Assessment will be based on failure of the Lessee's Environmental Assessment to either:
 - (1) follow generally accepted professional practices in determining the environmental condition of the Premises and the presence of Contamination in, on, or under the surface of the Premises; or
 - (2) demonstrate the portion of the Contamination that was not caused or Materially Contributed To by the Lessee or the Lessee's operations or activities, nor assumed by the Lessee by reason of assignment.

- c. Perform additional environmental testing at the Lessor's expense to verify the environmental condition of that portion of the Premises being assessed. If the results of the Lessor's tests conflict with the Lessee's Environmental Assessment, the Lessor and the Lessee will negotiate in good faith an Environmental Liability Baseline or an addition to the existing Environmental Liability Baseline for that portion of the Premises being assessed.
- 6. Amending the Environmental Liability Baseline to Delete Contamination Caused, Materially Contributed To, or Assumed by Lessee
 - a. If, after the Environmental Liability Baseline for any portion of the Premises is established, it is discovered that the presence of Contamination identified in the Environmental Liability Baseline was caused or Materially Contributed To by the Lessee or the Lessee's operations or activities, or assumed by the Lessee by reason of assignment, the Environmental Liability Baseline may be amended to delete that portion of the Contamination that was caused or Materially Contributed To by the Lessee or the Lessee's operations or activities or assumed by the Lessee by reason of assignment.
 - b. The Lessor will have the burden of proof in establishing that the Lessee or the Lessee's operations or activities caused or Materially Contributed To this Contamination or that the Contamination was assumed by the Lessee by reason of assignment.
 - c. If it is discovered that Contamination identified in the Environmental Liability Baseline was caused or Materially Contributed To by the Lessee or the Lessee's operations or activities or assumed by the Lessee by reason of assignment, the parties will agree upon an amendment to the Environmental Liability Baseline within a reasonable time.

B. RELEASE OF LESSEE

The Lessor releases the Lessee from liability to the Lessor for Contamination identified by the Environmental Liability Baseline that was not caused or Materially Contributed To by the Lessee or the Lessee's operations or activities nor assumed by the Lessee by reason of assignment.

C. REQUIRED REMEDIATION

The Lessor is under no obligation to remediate Contamination identified in an Environmental Assessment, except the Lessor shall remediate, or have responsible parties remediate, the Contamination identified in the Environmental Liability Baseline if an agency with such authority requires the Lessee or Lessor to remediate. In the event of such required remediation, the Lessor will make a reasonable effort to coordinate the remediation with the Lessee to minimize disruption of the Lessee's operations or activities and damage to the Lessee's improvements and property. The Lessee releases and holds the Lessor harmless for all costs associated with any damage to, and relocation, removal, and repair of Lessee's improvements and property that result from

remediation performed in compliance with this paragraph with respect to Contamination that existed before construction of affected improvements.

D. ACTION AGAINST POTENTIALLY RESPONSIBLE PARTIES

This article does not restrict either the Lessor or the Lessee from seeking and obtaining cleanup efforts, costs, or damages from other potentially responsible parties for Contamination identified in the Environmental Liability Baseline.

E. SURVIVAL OF OBLIGATIONS - LESSOR

The Lessor's release of the Lessee discussed in Section B (RELEASE OF LESSEE) of this article and the Lessor's covenant to remediate as discussed in Section C (REQUIRED REMEDIATION) of this article survive the cancellation, termination, or expiration of this Lease.

F. LESSOR'S RIGHT TO PERFORM ENVIRONMENTAL ASSESSMENT

Upon the cancellation, termination, or expiration of this Lease, or any time the Lessor has cause to believe the Premises may have been contaminated, or that Contamination of other property on the Airport may have originated on the Premises, the Lessor may perform an Environmental Assessment on the Premises or on potentially Affected Property to establish the presence and source of any Contamination and describe the environmental condition of the Premises or potentially Affected Property. If the Lessor performs such assessment before cancellation, termination, or expiration of this Lease, the Lessor shall minimize interference with the Lessee's operations while performing the assessment. The Lessor will assume the cost of the assessment if Contamination is not found on the Premises and no Contamination that originated on the Premises or caused by the Lessee or the Lessee's operations or activities is found on potentially Affected Property. If such Contamination is found on either the Premises or potentially Affected Property, the Lessee shall pay the costs of assessment and cleanup of any Contamination not included in an Environmental Liability Baseline.

ARTICLE VII: IMPROVEMENTS

A. COMPLIANCE

Any improvement, remediation, construction, alteration, import of material, export of material, or any other alteration or addition to the Premises as described in this article shall be completed in accordance with the provisions of this Lease and other applicable federal, State, and local laws and ordinances in effect at the time of leasing.

B. SURVEY

1. The Lessee shall provide to the Lessor a boundary survey plat of each Airport lot or other land area described in this Lease as part of the Premises, incorporating any boundary changes approved by the Lessor, if
 - a. a boundary survey is required in conjunction with the filing of a building permit; or

- b. the Lessor approves a Lessee-requested change in the Premises boundary.
2. A Professional Land Surveyor registered in the State of Alaska using generally accepted professional survey standards must conduct all surveying required under this Lease. All surveys must be performed at no cost to the Lessor. The Lessee shall obtain and comply with survey instructions from the Lessor.
3. Unless otherwise specified in writing by the Lessor, a plat of survey required under this Lease must provide survey ties to the Airport's local coordinate system and must establish the corners and boundaries of the Premises as shown on Exhibit A to this Lease. A current Survey Control Sheet must be obtained from the Airport's Engineering Department. For new leases, all lot corners or witness corners to the lot corners shall be set. Any missing or destroyed corners shall be reset and noted on the plat of survey. Corners set shall be, at a minimum, rebar and aluminum caps. All lot corners set shall have Lot and Block designation, date, and Surveyor registration number stamped onto the monument cap. In addition, a written legal description shall be furnished to the Lessor.

C. REQUIRED IMPROVEMENTS AND INVESTMENT

1. Pursuant to 17 AAC 42.240 and at no cost to the Lessor, the Lessee shall substantially complete the Lessee's proposed and approved improvements to the Premises by no later than **<DATE [two years after the Lease begins]**. Under 17 AAC 42.240(a)(1), the Lessee may request a longer period of time to complete construction, but must show to the Lessor's satisfaction that granting a longer time period to complete construction is not inconsistent with the best interest of the State. When completed, the dollar amount of the Lessee's investment to, on, or at the Premises must be at least \$**<** and may include, as applicable and excluding financing costs, the following:
 - a. Premises, boundary, and as-built surveys;
 - b. Site Development Work and Site Development Materials;
 - c. construction of permanent improvements, including the cost of design, labor, materials, shipping, Leases, equipment, soil testing, and Environmental Assessments directly related to the construction on the Premises or, if constructed for immediate State ownership, off the Premises;
 - d. remediation of Contamination on or that migrated from the Premises and that was not caused or Materially Contributed To by the Lessee or the Lessee's operations or activities nor assumed by the Lessee by reason of assignment; and
 - e. costs related to utility infrastructure development or connection.

2. At least 20% of the Premises must be vertically developed (approximately 44,459 square feet).
3. The Lessee must, at the Lessee's sole expense, plant new or retain existing coniferous trees within the 20' setback area within the boundary of the leased lot along the entire eastern boundary of the Premises. At the time of planting, trees must be no less than five (5) feet tall and should be spaced approximately five (5) to six (6) feet apart. Tree plan will be subject to Airport approval prior to the building permit issuance. Sparse areas of the northeastern 20' setback may require additional trees to be planted.
4. The Lessee must, at the Lessee's sole expense, reroute the existing animal control fence according to Airport standards.
5. If the Lessee fails to complete the construction or remediation or to submit documentation that the construction or remediation has been completed, the Lessor shall
 - a. execute the forfeiture of the performance bond, deposit, personal guarantee, or other security posted by the Lessee;
 - b. cancel this Lease; or
 - c. reduce the term of this Lease to a period that is consistent with the portion of the construction timely completed.

D. ACCESS

At no cost to the Lessor, the Lessee is required to provide and maintain aircraft and vehicle access to and from the Premises as follows:

- a. Aircraft and vehicles must have separate, dedicated access routes; and
- b. All access routes and driveways must be designed and constructed by the Lessee according to Airport, DOT&PF, and FAA standards, respectively. The driveway permit will be issued by DOT&PF Central Region Right-of-Way via ePermits. The site plan for the driveway permit must show future access point(s) on the east side of the lease lot to the 150' road corridor. If and when a future road is developed in the 150' road corridor, the existing driveway connection to Lakeshore Drive shall be removed by the Lessee and a new driveway permit application must be submitted via ePermits to DOT&PF Central Region Right-of-Way for approval.

E. AIRCRAFT HANGAR DOORS

As stated in the ITB and to reduce noise levels in the residential area east of the Premises, the Lessee is required to design all aircraft hangar doors to face away from the nearest dwellings.

F. PERFORMANCE BOND

The Lessee may be required to submit a performance bond, deposit, personal guarantee, or other security if the Lessor determines security is necessary or prudent to ensure completion of the construction or remediation within the time period set under Section C (REQUIRED IMPROVEMENTS AND INVESTMENT) of this article or completion of any additional or subsequent construction or remediation. The Lessor shall determine the form and amount of the security considering the nature and scope of the construction or remediation and the financial responsibility of the Lessee.

G. CONSTRUCTION

1. The Lessee may not clear, excavate, core, or fill land or construct, install, remodel, remove, or demolish temporary or permanent improvements on the Premises, or anywhere else on the Airport, without first obtaining an Airport Building Permit, as stated in Section H (AIRPORT BUILDING PERMIT) of this Article.
2. All construction on the Premises or performed by the Lessee on the Airport must be neat, presentable, and compatible with its use and surroundings.
3. At no cost to the Lessor, all structures on the Premises must be painted, finished, or covered with a permanent exterior surface and be attractively maintained by the Lessee.
4. All portions of the Premises not directly used for buildings, operations, or parking must be landscaped, seeded, and maintained by the Lessee to provide an attractive appearance and in a manner that does not attract birds and animals.
5. No building or other permanent structure may be constructed or placed within twenty (20) feet of a boundary line of the Premises, unless it is a common boundary line between contiguous parcels of land leased by the Lessee or the Lessor otherwise approves a lesser distance. This restriction does not prohibit the placement of fencing or environmental monitoring wells within twenty (20) feet of any boundary line of the Premises provided the Lessor approves the installation in writing. In addition, no building or other permanent structure may be constructed or placed within seventy-five (75) feet of any boundary line of the Premises which fronts on a landing strip, taxiway, or apron.
6. The Lessee shall take into consideration the best practices for noise and sound attenuation (reduction measures) in the design and construction of the Lessee's improvements, which may include modification of proposed building location and proposed aircraft orientation. The Lessee is required to make electrical utility power available to each outside parking position to minimize noise associated with aircraft auxiliary power units.

H. AIRPORT BUILDING PERMIT

1. To obtain an Airport building permit, the Lessee must submit the following to the Lessor:
 - a. An application for an Airport building permit on an Airport form.
 - b. An Adobe Acrobat .pdf format file containing the plan set and one printed copy of the specifications, or project manuals, one 11" x 17" paper set will suffice and if the 11" x 17" set is too small to be easily read, a full-size set will be acceptable.
 - (1) a site plan showing all proposed improvements to be performed on the Premises, as well as any off-Premises improvements the Lessee proposes to perform on the Airport, including the location of all proposed utility lines, drainage, snow storage, aircraft and vehicle parking, landscaping, and easements;
 - (2) comprehensive architectural drawings showing front and side elevation views, floor plans, and dimensions of any proposed structure and the materials to be used; and
 - (3) any additional data requested by the Lessor.
 - c. For work to be performed on the Premises, a boundary survey of the Premises, incorporating any boundary changes previously approved by the Lessor, unless such a survey is already on file with the Lessor on the date the Lessee files the building permit application.
2. When the Lessor requests, the Lessee shall also submit with an application for an Airport building permit documentation showing that the Lessee has the financial capability to complete the proposed project and that the plans and specifications have received any approval required by other government agencies having jurisdiction over the proposed project.
3. The approval by the Lessor of any construction design or any other provision does not waive the Lessee's legal responsibility or liability to comply with all Environmental Laws and other applicable federal, State, and local laws and regulations, including those concerning the construction, design, or operation of the Lessee's facilities or the maintenance and restoration of the Premises.
4. If the Lessee does not obtain an Airport building permit before beginning an activity described in Paragraph 1 of Section G (CONSTRUCTION) of this Article, the Lessor shall, when it is in the interest of safe, effective, or efficient operation of the Airport to do so, require the Lessee to cease or suspend the activity and to submit the application required under this section. After review of the application, the Lessor shall approve or deny the application. If the Lessor grants a Lease, the Lessee shall, at no cost to the Lessor, comply with any requirement that the Lessor includes in the approval as necessary to bring the construction into compliance with the Leasing standards of this section. If the Lessor denies a

Lease, the Lessee shall, at no cost to the Lessor, remove all unauthorized improvements and restore the Premises.

I. DOCUMENTATION OF COMPLETION OF CONSTRUCTION OR REMEDIATION

1. The Lessee shall within thirty (30) days after completion of construction or remediation or after the date specified in Paragraph 1 of Section C (REQUIRED IMPROVEMENTS AND INVESTMENT) of this Article, whichever comes first, submit to the Lessor written documentation that the construction or remediation has been completed as required.
2. The Lessee shall within ninety (90) days after completion of construction or remediation or after the date specified in Paragraph 1 of Section C (REQUIRED IMPROVEMENTS AND INVESTMENT) of this Article, whichever comes first, submit to the Lessor written documentation of the cost of construction or remediation in one of the following forms:
 - a. a statement of project costs signed by the contractor who performed the work;
 - b. a statement of project costs signed by a certified public accountant;
 - c. a copy of a contractor payment schedule specific to the project;
 - d. a notarized affidavit signed by the Lessee attesting to the project costs, with an itemized listing of site costs and copies of invoices reflecting payment of those costs; or
 - e. if the information described in Subparagraphs a through d of this Paragraph is not available as evidence of the cost, an estimate of project costs prepared and signed by a contractor or an architect or engineer registered under AS 08.48 or a general real estate appraiser certified under AS 08.87. This estimate must reflect costs as of the date of construction completion and must include cost data to support the estimate.

J. AS-BUILT SURVEY

1. If, as approved in an Airport building permit, the Lessee constructs or installs permanent improvements on the Premises or improvements off-Premises, the Lessee shall provide to the Lessor, within ninety (90) days after construction or installation of those improvements, an as-built survey. If the Lessee constructs underground improvements, the Lessee shall appropriately mark the surface of the land with adequate surface markers. The type, quantity, and distance between the markers are subject to the approval of the Lessor.
2. An as-built survey required under this Lease must establish the location and dimensions of all improvements constructed or installed and must provide bearings and distances to an established survey point in a form consistent with generally accepted professional standards and any special survey instructions issued by the Lessor.

K. RESTRICTED AREAS

1. The Lessee is responsible to ensure that the Lessee and the Lessee's agents and personnel, including any officer or employee, or anyone else acting by, on behalf of, or under the authority of the Lessee, comply at all times with the Airport's Security Program. The Lessee is responsible to ensure that the Lessee's contractors, sublessees, or guests, including any vendor or customer, comply with the Airport's Security Program at all times when on the Premises or when accessing a Restricted Area via the Premises. The Lessee shall ensure that only authorized persons enter or remain in the Restricted Area via the Premises, and shall otherwise take such actions as required under the Airport's Security Program such that unauthorized persons do not enter or remain in the Restricted Area. If applicable, the Lessee shall erect a security fence according to standards approved by the Lessor and the FAA around the Premises necessary to provide a security separation between the aircraft operations area and the Lessee's facility. The fence must be tied into the Lessor's Airport security fence so as to create a continuous barrier to access. The fence around the Premises must be constructed at the sole expense of the Lessee and must be maintained by the Lessee in an attractive condition.
2. Access to any Restricted Area by any of the Lessee's agents or personnel, including any officer or employee, or anyone else acting by, on behalf of, or under the authority of the Lessee, or by any of the Lessee's contractors, sublessees, or guests, including any vendor or customer, shall be subject to the terms of the Airport's Security Program. The Lessee assumes responsibility as the sponsor of any required Airport identification badge, including any visitor badge issued under the Lessee's sponsorship to any of the Lessee's agents or personnel, including any officer or employee, or anyone else acting by, on behalf of, or under the authority of the Lessee, or to any of the Lessee's contractors, sublessees, or guests, including any vendor or customer, and for escort of any individual not entitled to unescorted access to a Restricted Area, but given access by any of the Lessee's agents or personnel, including any officer or employee, or anyone else acting by, on behalf of, or under the authority of the Lessee, or with respect to access to a Restricted Area on or via the Premises, by any of the Lessee's guests, contractors or sublessees.
3. If any security access control card readers are required on the Premises to comply with the Airport's Security Program, the Lessee shall be responsible for the cost of the card reader, locking device, door/gate controller, and communications link to the access control computer. The Lessor will be responsible for the card reader's installation and integration into the Airport's security system. The Lessee shall be responsible for access control during periods the card reader(s) are inoperative and shall notify the Lessor accordingly.

ARTICLE VIII: OPERATIONS

A. LESSOR OPERATIONAL ORDERS

The Lessee shall coordinate the Lessee's operations and activities on the Airport with the Lessor and abide by the Lessor's decisions and operational orders regarding snow removal, maintenance, and general use of the Airport. The Lessee shall ensure that the

Lessee's agents and personnel, including any officer or employee, and anyone else acting by, on behalf of, or under the authority of the Lessee on the Airport, and, when on the Premises, the Lessee's contractors, sublessees, and guests, including any vendor or customer, abide by such orders, decisions, and operational orders.

B. VIOLATIONS

1. The Lessee shall coordinate any Airport security matter with the Lessor and shall follow all applicable requirements of the Lessor's Airport Security Program, Airport Certification Manual, and Airport Emergency Program, including all provisions that are regulated under 49 CFR part 1540 (civil aviation security), 49 CFR Part 1542 (airport security) and 14 CFR Part 139 (airport certification and operation) and any other applicable federal regulation.
2. Any fine that results from a violation of the Lessor's Airport Security Program, Airport Certification Manual, Airport Emergency Program, or any applicable federal regulation caused by the Lessee or by any of the Lessee's agents or personnel, including any officer or employee, or anyone else acting by, on behalf of, or under the authority of the Lessee, whether on or off the Premises, or when on the Premises, by any of the Lessee's contractors, sublessees, or guests, including any vendor or customer, will, as between the Lessor and the Lessee, be the sole responsibility of the Lessee. The Lessor may, with notice to the Lessee and without diminishing the Lessee's responsibility, but preserving, to the extent practicable, any right of the Lessee to contest or appeal the penalty, pay fines to the FAA or the TSA chargeable to the Lessee or on the Lessee's behalf if the Lessor reasonably determines that doing so is in the best interest of the State to meet FAA or TSA deadlines. Within thirty (30) days after receipt of written notice from the Lessor, the Lessee shall reimburse the Lessor for any such fines paid by the Lessor.

C. AIRPORT OPERATIONS

The Lessee shall ensure that the Lessee and the Lessee's agents and personnel, including any officer or employee, and anyone else acting by, on behalf of, or under the authority of the Lessee on the Airport, and any of the Lessee's contractors, sublessees, and vendors on the Premises, perform all construction, repairs, maintenance, remediation, and operations and activities authorized under this Lease in a manner that ensures the safety of people and the Airport, the protection of public health and the environment, and the safety and integrity of the Airport. The Lessee shall employ qualified personnel and maintain equipment sufficient for the purposes of this provision. The Lessee shall immediately notify the Lessor of any condition, problem, malfunction, or other occurrence that threatens the safety of people or the Airport, harm to public health or the environment, or the safety or integrity of the Premises.

D. LESSEE'S CONTROL AND RESPONSIBILITY

1. The Lessee shall assume full control and sole responsibility for the operations and activities of the Lessee and the activities of the Lessee's agents and personnel, including any officer or employee, and anyone else acting by, on behalf of, or under the authority of the Lessee anywhere on the Airport, and for

only the on-Premises operations and activities of the Lessee's contractors, sublessees, and guests, including any vendor or customer.

2. The Lessee shall ensure that the Lessee and the Lessee's agents and personnel, including any officer or employee, or anyone else acting by, on behalf of, or under the authority of the Lessee on the Airport, and, on the Premises, any of the Lessee's contractors, sublessees, or guests, including any vendor or customer, comply with 17 AAC 42 and all other applicable law, operational orders that the Lessor issues under State or federal law, and instructions, requirements, and restrictions that the Lessor has posted or indicated by sign, signal, or other control device, unless otherwise directed by an Airport police officer or other authorized person directing aircraft, vehicle, or pedestrian traffic.

E. RADIO INTERFERENCE

The Lessee shall discontinue the use of any machine or device that interferes with any government-operated transmitter, receiver, or navigation aid until the cause of the interference is eliminated.

F. FUEL/HAZARDOUS SUBSTANCE

1. The Lessee shall ensure that the Lessee and the Lessee's agents and personnel, including any officer or employee, and anyone else acting by, on behalf of, or under the authority of the Lessee, conduct any fueling operations and fuel storage on the Airport consistent with fire codes and other applicable law, and that any of the Lessee's contractors, sublessees, and guests, including any vendor or customer, conduct any fueling operations and fuel storage on the Premises consistent with fire codes and other applicable law.
2. If the Lessee or any of the Lessee's agents or personnel, including any officer or employee, or anyone else acting by, on behalf of, or under the authority of the Lessee, or any of the Lessee's contractors, sublessees, or guests, including any vendor or customer, conducts self-fueling operations on the Premises, the Lessee shall maintain spill prevention and response capability readily accessible to the site where the fuel is dispensed or stored.
3. If the Lessee is an air carrier that engages in self-fueling, the Lessee shall ensure that all personnel who engage in fuel dispensing or fuel storage operations on the Airport are trained in safe fuel handling practices, fire safety, and spill response.
4. If fuel is stored on the Premises, the fuel must be stored in a Permanent Fuel Storage Tank unless the Lessor authorizes the Lessee in writing to use a Mobile Fuel Tank that complies with 17 AAC 42.055(h).
5. Release of a Hazardous Substance
 - a. If the Lessee or any of the Lessee's agents or personnel, including any officer or employee, or anyone else acting by, on behalf of, or under the authority of the Lessee Releases a Hazardous Substance on the Airport, or if any of the Lessee's contractors, sublessees, or guests, including any

vendor or customer, Releases a Hazardous Substance on the Premises, the Lessee shall, at no cost to the Lessor, immediately report the Release to the Lessor and immediately contain and clean up the Release and remediate contaminated Airport property to an environmentally acceptable condition to the satisfaction of the Lessor and any regulatory agency having jurisdiction over the Release. The Lessee shall use methods that ensure Contamination does not enter or spread on or in Airport land or water or in an Airport storm water drainage system. Submission of a report to the Lessor under this subparagraph does not satisfy any other applicable requirement for reporting a Release of a Hazardous Substance to any other regulatory agency that has jurisdiction over the Release.

- b. If the Lessee does not take immediate action to report, contain, and clean up a Release of a Hazardous Substance caused or Materially Contributed to by the Lessee or any of the Lessee's agents or personnel, including any officer or employee, or anyone else acting by, on behalf of, or under the authority of the Lessee on the Airport, or by any of the Lessee's contractors, sublessees, or guests, including any vendor or customer, on the Premises, and remediate resulting contaminated Airport property to an environmentally acceptable condition to the satisfaction of the Lessor and any regulatory agency having jurisdiction over the Release, the Lessor shall report, contain, and clean up the Contamination and remediate the contaminated Airport property as the Lessor determines appropriate. The Lessee shall reimburse the Lessor for the Lessor's costs to assess, report, contain, and clean up any such Release and remediate resulting contaminated Airport property, including administrative costs, as applicable.
 - c. The Lessee shall ensure that the Lessee and the Lessee's agents and personnel, including any officer or employee, and anyone else acting by, on behalf of, or under the authority of the Lessee on the Airport, and, on the Premises, any of the Lessee's contractors, sublessees, and guests, including any vendor or customer—do not unreasonably interfere with Airport operation or development while remediating contaminated Airport property unless the Lessor first expressly consents.
6. The Lessee shall ensure that all Hazardous Substances generated in construction, operation, maintenance, and removal of improvements and restoration of the Premises on the Premises or elsewhere on the Airport by or on behalf of the Lessee are removed and disposed of in accordance with all Environmental Laws and in a manner acceptable to the Alaska Department of Environmental Conservation, the U.S. Environmental Protection Agency, and any other agency that may have authority over Hazardous Substances and in compliance with the provisions of this Lease.
7. Documentation: In addition to any other notices required under this Lease, the Lessee shall immediately provide written notice to the Lessor as follows:
 - a. If requested by the Lessor, the Lessee shall provide to the Lessor within ten (10) days of the Lessor's request copies of all material safety data

sheets and reports that are required to be filed with any federal, State, or local agency under all Environmental Laws, the Superfund Amendment Reauthorization Act, Title III, Tier 2 reports, the Emergency Preparedness Community Right-to-Know Act, and any other requirements by any federal, State, or local agency for reporting amounts and types of Hazardous Substance being stored or used on the Premises.

- b. The Lessee shall provide to the Lessor within ten (10) days of receipt a copy of any notice of violation or other notice, report, document, claim, or citation alleging a violation or a potential violation of an Environmental Law affecting Airport property that a regulatory agency issues to or files against the Lessee and of any complaint filed in a court that alleges violation by the Lessee of an Environmental Law affecting Airport property.
- c. The Lessee shall provide to the Lessor within ten (10) days of receipt a copy of any Lease from an environmental regulatory agency in connection with any use of the Airport by the Lessee or any of the Lessee's agents or personnel, including any officer or employee, or anyone else acting by, on behalf of, or under the authority of the Lessee, or use of the Premises by any of the Lessee's contractors, sublessees, or guests, including any vendor or customer.
- d. The Lessee shall provide to the Lessor a copy of any report made by the Lessee or any of the Lessee's agents or personnel, including any officer or employee, or anyone else acting by, on behalf of, or under the authority of the Lessee, or by any of the Lessee's contractors, sublessees, or guests, including any vendor or customer, to any environmental agency arising out of or in connection with any Hazardous Substance in, on, under, or removed from the Premises or Affected Property, including any complaint, notice, warning or asserted violation.

G. NON-DISCRIMINATION AND AFFIRMATION ACTION

1. Compliance with Regulations: Lessee will comply with the Title VI List of Pertinent Nondiscrimination Statutes and Authorities, attached as Exhibit B, as they may be amended from time to time, which are herein incorporated by reference and made a part of this contract.
2. Non-Discrimination: Lessee shall ensure that Lessee and Lessee's agents and personnel, including any officer or employee, and anyone else acting by, on behalf of, or under the authority of Lessee on the Airport and, on the Premises, any of Lessee's contractors, sublessees, and guests, including any vendor or customer do not discriminate on the grounds of race, creed, color, national origin, age, sex, handicap, marital status, change in marital status, pregnancy, or parenthood against any patron, employee, applicant for employment, or other person or group of persons in any manner prohibited by federal or state law. Lessee recognizes the right of Lessor to take any action necessary to enforce this provision, including actions required pursuant to any federal or state law.
3. Affirmative Action: Lessee shall undertake an affirmative action program as required by 14 CFR Part 152 (Airport Aid Program), subpart E (Nondiscrimination in Airport Aid Program), and the American Disabilities Act of 1990 to ensure that no person shall, on the grounds of race, creed, color, national origin, age, sex, handicap, marital status, change in marital status, pregnancy, or parenthood be excluded from participating in any employment, contracting, or leasing activities covered by 14 CFR Part 152, subpart E or the American Disabilities Act of 1990. Lessee assures that no person shall be excluded, on these grounds, from participating in or receiving the services or benefits of any program or activity covered by said subpart or act. Lessee assures that it will require its covered organizations provide assurances to Lessor that they similarly will undertake affirmative action programs and that they will require assurances from their suborganizations as required by 14 CFR Part 152, subpart E or the American Disabilities Act of 1990, to the same effect.

Lessee shall comply with any affirmative action plan or steps for equal employment opportunity required by 14 CFR Part 152, subpart E, the American Disabilities Act of 1990, a part of the affirmative action program, and by any federal, State, or local agency or court, including those resulting from a conciliation agreement, consent decree, court order, or similar mechanism. Lessee shall use state or local affirmative action plans in lieu of any affirmative action plan or steps required by 14 CFR Part 152, subpart E, only when they fully meet the standards set forth in 14 CFR 152.409. Lessee shall obtain a similar assurance from its covered organizations, and to cause them to require a similar assurance of their covered suborganizations, as required by 14 CFR Part 152, subpart E. Copies of 14 CFR Part 152, subpart E, and the American Disabilities Act of 1990 are available from Lessor.

I. BIRDS AND WILDLIFE

The Lessee acknowledges that a concentration of birds, moose, and other wildlife in the immediate vicinity of an Airport may constitute a significant hazard to aircraft operations. The Lessee shall keep the Premises clean of fish slime, fish waste, or any other material that might attract birds and animals. The Lessee accepts full responsibility to maintain the Premises, control operations and activities, and take all prudent measures to prevent

birds from gathering on the Premises and prevent moose and other animals from gaining access to aircraft operations areas through the Premises.

J. PARKING, DRAINAGE, AND SNOW STORAGE

The Lessee shall provide vehicle, equipment, and aircraft parking space, snow storage and disposal, and drainage on the Premises adequate for the operations and activities of the Lessee and the activities of the Lessee's agents and personnel, including any officer or employee, and anyone else acting by, on behalf of, or under the authority of the Lessee, and for the on-Premises activities of any of the Lessee's contractors, sublessees, or guests, including any vendor or customer. Such provision for parking, snow storage and disposal, and drainage must be located, improved, maintained, and managed at no cost to the Lessor and in accordance with all applicable federal, State, and local laws, and must be limited to the Premises and to other areas on the Airport designated in writing by the Lessor.

K. NEAT AND PRESENTABLE

The Lessee shall keep the Premises and all improvements on the Premises neat and presentable at the Lessee's sole expense.

Except as otherwise authorized in writing by the Lessor, the Lessee shall not, and shall ensure that the Lessee's agents and personnel, including any officer or employee, and anyone else acting by, on behalf of, or under the authority of the Lessee, and any of the Lessee's contractors, sublessees, and guests, including any vendor or customer, do not dispose of refuse or other waste material generated on the Premises in an Airport-provided waste receptacle. The Lessee must provide a waste receptacle as required for disposal of any waste material or Hazardous Substances generated on the Premises.

L. UTILITIES, MAINTENANCE, AND SNOW CLEARING

At no cost to the Lessor, the Lessee shall provide for all utilities, maintenance, and services on and to the Premises necessary for the use of the Premises by the Lessee and the Lessee's agents and personnel, including any officer or employee, and anyone else acting by, on behalf of, or under the authority of the Lessee, and by any of the Lessee's contractors, sublessees, or guests, including any vendor or customer. The Lessee shall be responsible for any necessary clearing of snow from the Premises and for providing, in accordance with Section J (PARKING, DRAINAGE, AND SNOW STORAGE) of this article, any necessary snow storage or disposal area.

M. HEAVY TRUCKS

If the Lessee, or the Lessee's agents or personnel, including any officer or employee, or anyone else acting by, on behalf of, or under the authority of the Lessee, or any of the Lessee's contractors, sublessees, or guests, including any vendor or customer, use heavy trucks or equipment on or transiting to or from the Premises during construction or operation of facilities on the Premises, the Lessee shall ensure that the trucks or equipment use only those Airport access routes designated by the Lessor and that all trucks and equipment used comply with all applicable weight, width, and length restrictions established by law or otherwise by operational orders issued by the Lessor.

N. ROAD OBSTRUCTIONS

If, during the Lessee's development of the Premises or during the operations or activities of the Lessee or of the Lessee's agents or personnel, including any officer or employee, or by anyone else acting by, on behalf of, or under the authority of the Lessee, or relating to activities on the Premises by any of the Lessee's contractors, sublessees, or guests, including any vendor or customer, it becomes necessary to obstruct any road or other area provided for vehicular traffic or taxiway or runway for aircraft movement, the Lessee shall, at least seventy-two (72) hours before the placement of an obstruction, obtain the approval of the Lessor and ensure compliance with all related decisions and directions of the Lessor regarding the use of the Airport by the Lessee and the Lessee's agents or personnel, including any officer or employee, or anyone else acting by, on behalf of, or under the authority of the Lessee, and regarding use of the Premises by the Lessee's contractors, sublessees, or guests, including any vendor or customer.

O. RIGHT OF LESSOR TO PERFORM

If after thirty (30) days following notice, or less if an emergency exists, the Lessee has failed or refused to perform any action required under this Lease or failed or refused to secure any required performance by the Lessee's agents or personnel, including any officer or employee, or anyone else acting by, on behalf of, or under the authority of the Lessee, or performance by any of the Lessee's contractors, sublessees, or guests, including any vendor or customer, for which the Lessee is responsible under this Lease, the Lessor will have the right, but not the obligation, to perform any or all such actions required under this Lease at the sole expense of the Lessee. The Lessor will not take action if the Lessee has begun and continues expeditious action to perform any action required under this Lease that cannot reasonably be completed within thirty (30) days. The Lessor will, at its sole discretion, determine what constitutes expeditious action and if an action cannot reasonably be performed in thirty (30) days.

P. AIRCRAFT AUXILIARY POWER UNITS

In order to reduce noise levels and air emissions, the Lessor reserves the right to restrict the use of aircraft Auxiliary Power Units (APUs), including but not limited to discontinuation of non-essential APU use.

ARTICLE IX: CANCELLATION, EXPIRATION, OR OTHER TERMINATION

A. LESSEE DEFAULT

1. If the Lessee violates a term of this Lease and the Lessor considers that term to be a material obligation of this Lease, or the violation to be a material deviation from the requirements of this Lease, the Lessor will mail or deliver to the Lessee a written notice of the violation. The notice must allow the Lessee not less than thirty (30) days to correct the violation, unless the violation constitutes an imminent threat to public health or safety.

2. If the Lessee does not correct the violation by the time allowed in the notice, the Lessor shall:
 - a. grant an extension of time to correct the violation if the Lessee shows good cause;
 - b. take enforcement action as provided under this Lease or as available by law; or
 - c. cancel this Lease.
3. If the Lessor determines that a violation creates an imminent threat to public health or safety, the Lessor shall:
 - a. direct the Lessee to stop the activity immediately;
 - b. provide the Lessee less time than otherwise specified in this Lease to correct the violation; or
 - c. correct the violation.
4. If the Lessor acts to correct a violation that constitutes an imminent threat to public health or safety as provided under Paragraph 3 of this section, the Lessee shall reimburse the Lessor for any cost, including legal fees and administrative costs reasonably incurred by the Lessor in acting to correct the violation.
5. A notice of cancellation issued by the Lessor to the Lessee under this article is stayed if, within the thirty-day (30-day) notice period, the Lessee begins and continues expeditious action to cure the breach in the case of a breach that cannot reasonably be cured within thirty (30) days. The Lessor, at its sole discretion, will determine if a breach cannot reasonably be cured within thirty (30) days and what constitutes expeditious action.
6. Without limitation, the following shall be deemed either violations of material obligations of this Lease or material deviations from the requirements of this Lease:
 - a. The Lessee fails to pay when due any rent, charge, or fee specified in this Lease, including any increase made under this Lease.
 - b. The Lessee's check for payment of any rent, charge, or fee owed to the Lessor by the Lessee is returned for insufficient funds.
 - c. The Lessee uses the Premises for any purpose not authorized by this Lease.
 - d. The Lessee files a petition of bankruptcy, or one is filed against the Lessee.
 - e. A court enters a judgment of insolvency against the Lessee.

- f. A trustee or receiver is appointed for the Lessee's assets in a proceeding brought by or against the Lessee.
 - g. The Lessee is in violation of a provision of AS 02 or 17 AAC 42.
 - h. The Lessee fails to provide or maintain any performance bond required under this Lease.
7. The Lessee may protest the Lessor's decision to enforce or cancel this Lease in accordance with 17 AAC 42.910.

B. WAIVER

1. A waiver by the Lessor of any default by the Lessee of any provision of this Lease will not operate as a waiver of any subsequent default. If the Lessor waives a default, the Lessor is not required to provide notice to the Lessee to restore or revive any provision under this Lease. The waiver by the Lessor of any provision in this Lease cannot be enforced or relied upon unless the waiver is in writing and signed on behalf of the Lessor.
2. The Lessor's failure to insist upon the strict performance by the Lessee of any provision in this Lease is not a waiver or relinquishment for the future, and the provision will continue in full force.

C. VACATION AND CONTINUATION OF LESSEE OBLIGATIONS

1. At the expiration, cancellation, or other termination of this Lease, the Lessee shall peaceably and quietly vacate the Premises and return possession to the Lessor.
2. The Lessee shall, after the expiration, cancellation, or other termination of this Lease and subject to any duty the Lessor may have to mitigate damages, continue to pay rent to the Lessor and to abide by all other lease obligations, including maintenance of the Premises and provision of evidence of insurance coverage required under this Lease, through the date on which the Lessee relinquishes possession of and completely vacates the Premises, having, at the Lessee's expense and without cost to the Lessor,
 - a. remediated, consistent with applicable law, any Contamination the Lessee caused, Materially Contributed To, or assumed by reason of assignment and restored the Premises to a clean and neat physical condition acceptable to the Lessor; and
 - b. either removed or sold to a succeeding lessee all of the Lessee's permanent improvements and personal property on the Premises, or title to the Lessee's permanent improvements and personal property that remain on the Premises has vested in the Lessor.
3. The relinquishment and vacation of the Premises does not relieve the Lessee from damages for default or termination prior to expiration of this Lease.

D. DISPOSITION OF PERMANENT IMPROVEMENTS AND PERSONAL PROPERTY

1. Permanent improvements that the Lessee has constructed or purchased on the Premises and has not transferred to the Lessor in writing, but not Site Development Materials, are the Lessee's property as long as this Lease remains in effect, including any period of extension or holdover with the consent of the Lessor.
2. Unless the Lessor otherwise directs under Paragraph 6 of this section, when this Lease expires, terminates, or is cancelled and is neither extended nor followed by a successor lease to the same Lessee, the Lessee may do one or more of the following:
 - a. Remove Lessee-owned permanent improvements from the Premises and restore the Premises to a clean and neat physical condition acceptable to the Lessor within sixty (60) days after the expiration, cancellation, or termination date of this Lease.
 - b. Sell Lessee-owned permanent improvements to the succeeding lessee, remove all personal property, remediate, consistent with applicable law, any Contamination the Lessee caused, Materially Contributed To, or assumed by reason of assignment, and restore the Premises to a clean and neat physical condition acceptable to the Lessor within sixty (60) days after notice from the Lessor that the Lessor has approved an application for a lease of the Premises by another person or such longer period specified in the notice, but in no event more than one hundred and eighty (180) days after the expiration, termination, or cancellation date of this Lease.
 - c. Elect to have the Lessor sell Lessee-owned permanent improvements at public auction under Paragraph 4 of this section.
3. If the Lessee elects to have the Lessor sell Lessee-owned permanent improvements at public auction under Paragraph 4 of this section, the Lessee shall, within thirty (30) days after the expiration, cancellation, or termination of this Lease,
 - a. submit to the Lessor a written request and authorization to sell the permanent improvements by public auction;
 - b. provide to the Lessor an executed conveyance document transferring clear title to the permanent improvements to the successful bidder at the public auction, along with authorization to the Lessor, as agent for the Lessee for purposes of the sale only, to endorse the name of the successful bidder on the conveyance document upon receipt of payment of the successful bid price; and
 - c. before the date of the public auction, remove all personal property and leave the Premises in a neat and clean physical condition acceptable to the Lessor.

4. When selling Lessee-owned permanent improvements at public auction for the Lessee, the Lessor shall establish the terms and conditions of the sale as provided under 17 AAC 42.333. The Lessor shall pay the Lessee any proceeds of the sale of the permanent improvements, less the administrative costs of the public auction and any financial obligation the Lessee owes to the Lessor under this Lease. Payment shall be made within a reasonable time after the Lessor completes the sale transaction and receives the proceeds, but not to exceed sixty (60) days. If all or a portion of the permanent improvements do not sell at public auction, the Lessee shall remove those permanent improvements and restore the Premises to a clean and neat physical condition acceptable to the Lessor within sixty (60) days after the auction.
5. If the Lessee shows good cause to the Lessor and if it is not inconsistent with the best interest of the State, the Lessor shall grant an extension of time that is sufficient to allow the Lessee to remove or sell Lessee-owned permanent improvements or to restore the Premises under this section.
6. Regarding the expiration, cancellation, or other termination of this Lease, the Lessor shall, by written notice, direct the Lessee to remove Lessee-owned permanent improvements from the Premises, to remediate, consistent with applicable law, any Contamination that the Lessee caused, Materially Contributed To, or assumed by reason of assignment, and to restore the Premises to a clean and neat physical condition acceptable to the Lessor if the Lessor determines that
 - a. the permanent improvements are not consistent with
 - (1) the applicable provisions of 17 AAC 42 and of any other statute or regulation, including any relating to noise or airport land use; or
 - (2) any written airport program or plan required for compliance with applicable federal or State law;
 - b. the continuation of the permanent improvements on the Premises is not in the best interest of the State; or
 - c. the Lessor makes a written finding that the permanent improvements present a hazard to public health or safety.
7. The Lessee shall comply with the Lessor's direction issued under Paragraph 6 of this section within sixty (60) days after issuance of the direction and at no cost to the Lessor. If the Lessee shows good cause to the Lessor and if it is not inconsistent with the best interest of the State, the Lessor shall allow in writing a longer period that is sufficient to allow the Lessee to comply with the Lessor's direction. If the Lessee fails to comply with a direction issued by the Lessor under Paragraph 6 of this section, the Lessee shall, within thirty (30) days of being billed by the Lessor, reimburse the Lessor for any costs reasonably incurred by the Lessor, including legal fees and administrative costs, to enforce the Lessor's direction or to

- a. remove and dispose of unremoved Lessee-owned permanent improvements;
 - b. remediate, consistent with applicable law, any Contamination the Lessee caused, Materially Contributed To, or assumed by reason of assignment; and
 - c. restore the Premises.
8. If the Lessee does not timely remove or sell the Lessee-owned permanent improvements on the Premises in accordance with the requirements of this section, any remaining permanent improvements and any remaining personal property of the Lessee will be considered permanently abandoned. The Lessor may sell, lease, demolish, dispose of, remove, or retain the abandoned property for Airport use as the Lessor determines is in the best interest of the State. The Lessor shall deposit any proceeds from the disposition of abandoned property under this paragraph into the revenue fund established under AS 37.15.430. The Lessee shall, within thirty (30) days after being billed by the Lessor, reimburse the Lessor for any costs reasonably incurred by the Lessor, including legal fees and administrative costs, to demolish, remove, dispose of, clear title to, or sell the abandoned property and to remediate, consistent with applicable law, any Contamination the Lessee caused, Materially Contributed To, or assumed by reason of assignment, and restore the Premises.

E. ABANDONED PROPERTY

Title to property abandoned by the Lessee on the Premises automatically vests in the Lessor unless the property is contaminated with any Hazardous Substance or rejected by the Lessor by a written notice to the Lessee or the property's automatic vesting would violate a statute or regulation.

F. DISPOSITION OF SITE DEVELOPMENT MATERIALS

Site Development Work and Site Development Materials that the Lessee completes or places on the Premises become part of the Lessor-owned realty and property of the Lessor upon completion or placement. The Lessee

1. must maintain the Site Development Materials throughout the term of this Lease, including any extensions and periods of holdover; and
2. may not remove the Site Development Materials unless the Lessor approves in writing.

G. NATURAL DISASTERS

If the parties agree in writing that the Premises are unusable, not due to the fault or negligence of either party, to the extent that performance of this Lease is impossible, this Lease may be terminated. If the Lessee elects to continue to operate, the Lessor is under no obligation to continue to perform. Causes for termination under this provision include, but are not restricted to, fires, floods, epidemics, quarantine restrictions, earthquakes, landslides, mudslides, avalanches, tsunamis, or volcanic activity.

H. NATIONAL EMERGENCY

If the federal government declares a national emergency, neither party may hold the other liable for any inability to perform any part of this Lease as a result of the national emergency.

I. SURVIVAL OF LESSEE OBLIGATIONS

The Lessee's obligations under the following provisions of this Lease shall survive and remain binding on the Lessee after the expiration, cancellation, or other termination of this Lease:

1. Article V (RENTS AND FEES), Section H (INTEREST);
2. Article V (RENTS AND FEES), Section J (UNPAID FEES);
3. Article VI (ENVIRONMENTAL ISSUES), Section A (ENVIRONMENTAL LIABILITY BASELINE) Paragraph 2 (Financial Responsibility For Contamination on the Premises and on any Affected Property);
4. Article VII (IMPROVEMENTS), Section I (RESTRICTED AREAS) Paragraph 2 relating to any Lessee-sponsored Airport identification badges not returned to the Airport;
5. Article VIII (OPERATIONS), Section B (VIOLATIONS) relating to responsibility for fines for violations of the Lessor's Airport Security Program, Airport Certification Manual, Airport Emergency Program under 49 CFR part 1540 (civil aviation security), 49 CFR Part 1542 (airport security) and 14 CFR Part 139 (airport certification and operation) and any other applicable federal regulation;
6. Article VIII (OPERATIONS), Section F (FUEL/HAZARDOUS SUBSTANCE) Paragraph 7 (Documentation), subparagraphs b and d, relating to documentation of notices of violation and reports submitted to environmental agencies relating to the Premises;
7. Article IX (CANCELLATION, EXPIRATION, OR OTHER TERMINATION), Section C (VACATION AND CONTINUATION OF LESSEE OBLIGATIONS);
8. Article IX (CANCELLATION, EXPIRATION, OR OTHER TERMINATION), Section D (DISPOSITION OF PERMANENT IMPROVEMENTS AND PERSONAL PROPERTY);
9. Article X (INDEMNIFICATION AND INSURANCE), Section B (INSURANCE); and
10. any other provision that imposes on-going responsibility or liability on the Lessee for an obligation undertaken under this Lease.

ARTICLE X: INDEMNIFICATION AND INSURANCE

A. INDEMNIFICATION AND FAULT ALLOCATION

1. Lessee shall, to the fullest extent, defend, hold harmless, and indemnify Lessor and its agents and employees against any and all losses or obligations that arise from Lessee's operations or activities on the Airport (or elsewhere, if such operations or activities are undertaken in Lessee's performance of services under this Lease), unless such losses or obligations arise from the independent fault of Lessor or Lessor's agents and employees. The term "independent fault" refers to negligence or culpable conduct occurring other than in Lessor's selection, administration, monitoring, or controlling of the Lessee, or in Lessor's approval or acceptance of the Lessee's work.
2. With respect to any amount paid by Lessor or Lessee to others for personal injury or property damage resulting in part from Lessor's independent fault and Lessee's negligence, Lessee and Lessor shall reimburse each other, as applicable, according to the principles of comparative fault and fault allocation. However, this provision for reimbursement according to comparative fault and fault allocation is not intended to affect the rights of any person who is not a party to this Lease.
3. Lessee shall give Lessor prompt notice of any suit, claim, action, or other matter affecting Lessor to which any portion of this Section may apply, together with a copy of any letter by an attorney on behalf of a complainant, any complaint filed in court, or any notice or complaint by any regulatory agency. In the event Lessee undertakes legal action to defend, hold harmless, and indemnify Lessor and its agents and employees in accordance with Paragraph A. above, Lessee shall secure counsel acceptable to Lessor and the Alaska Department of Law to carry out Lessee's defense, indemnity, and hold harmless obligations. Lessor shall have the right, at its option, to secure separate counsel to participate in the Lessee's defense of Lessor, including in settlement negotiations. However, such participation shall not relieve Lessee of any of its defense, hold harmless, and indemnity obligations. Lessee's defense, hold harmless, and indemnity obligations are in addition to, and not limited by, Lessee's obligation to provide insurance, described immediately below. Moreover, Lessee's defense, hold harmless, and indemnity obligations shall survive the expiration or termination of this Lease to the extent that claims for loss or obligation are asserted subsequent to the Lease's expiration or termination.

B. INSURANCE

1. Notwithstanding and without limitation to Lessee's defense, hold harmless and indemnity obligations, and notwithstanding and without limitation to both Lessor's and Lessee's reimbursement obligations based on comparative fault and fault allocation, it is agreed that Lessee shall purchase at its own expense, and shall maintain in force at all times during the performance of activities under this Lease, insurance coverage for property damage, bodily injury and death, and with contractual liability endorsements, insuring all of Lessee's operations under this Lease, equally protecting both Lessor and Lessee, and designating both as named insureds. The policy or policies must afford coverages in dollar amounts

not less than those set forth below. Where specific limits are set forth below, it is understood that they shall be the minimum acceptable limits. If the Lessee's policy or policies contain higher limits, Lessor shall be entitled to coverage to the extent of such higher limits, just as Lessor shall be entitled to coverage to the extent of the minimum acceptable limits. The policies and minimum dollar amounts of coverage will be consistent with prudent airport industry practices and this Lease. The following shall be the minimum dollar amounts of coverage for liability insurance or equivalent insurance:

- a. Airport Liability insurance that includes product and completed operations coverage, contractual liability coverage, and pollution coverage endorsement(s), with coverage limits of not less than \$1,000,000 bodily injury and property damage per accident or occurrence, \$2,000,000 per year aggregate;
 - b. Automobile Liability insurance with coverage of not less than \$1,000,000 bodily injury and property damage per accident or occurrence, \$2,000,000 per year aggregate; and
 - c. Hangar Keepers legal liability in an amount not less than the most valuable aircraft in the Lessee's care, custody, or control on the Airport, but in any event in an amount with a per-occurrence limit of not less than \$1,000,000 combined single limit. This policy must name the Lessor as an additional insured.
2. It is further agreed that Lessee shall purchase at its own expense, and shall maintain in force at all times during performance of the Lease, Workers Compensation insurance with coverage for all employees engaged in work under this Lease in conformity with AS 23.30. Where applicable, such Workers Compensation insurance coverage shall conform to other statutory obligations including but not limited to Federal U.S.L. & H. and Jones Act requirements. The Workers Compensation insurance described in this paragraph shall afford coverage for any subcontractor who directly or indirectly provides services under the Lease. The Lessee's policy or any subcontractor's policy secured in order to ensure Lessee's compliance with this paragraph must, to the extent permissible under the law, waive the insurer's right of subrogation as to claims against Lessor, its agents, and employees.
 3. Certificates of Insurance must be furnished to the Lessor prior to beginning operations at the Airport and must contain notice provisions in the event of cancellation, non-renewal, or material change of condition. Failure to furnish satisfactory evidence of insurance or lapse of the policy is a material breach of this Lease and shall be grounds for termination of this Lease. All insurance policies shall comply with and be issued by insurers licensed to transact the business of insurance under AS 21. Each policy, except for Workers' Compensation, must state that it is primary, without any right to contribution from any other insurance, including self-insurance that may be carried by Lessor. Where any such policy has a normal expiration during the term of this Lease Lessee will provide, prior to such expiration, a certificate or other satisfactory written evidence of continued coverage.

4. A certificate on forms prescribed by Lessor or on forms approved by Lessor certifying coverage of required insurance, and a declarations page or other evidence of the types, limits, deductibles, exclusions, and endorsements must be delivered to Lessor within thirty (30) days of the effective date of this Lease. The certificate must identify Lessor's reference number for this Lease.
5. The failure by either party at any time to enforce the provisions in this Section will not be construed as a waiver of these provisions and will not reduce either party's obligations under this Lease.
6. Lessor reserves the right to modify the requirements of this Section provided that such modifications are reasonable and appropriate.

C. ADDITIONAL INSURED

1. Lessee agrees that every insurance policy, except for Workers' Compensation, will include an endorsement identifying Lessor as an additional insured. Each policy must provide protection for Lessor in the same manner as though a separate policy had been issued to Lessor. Each policy must contain, to the extent available, a waiver of the insurer's subrogation as to the rights of Lessor and its employees and agents. Additionally, each policy must provide liability coverage for claims between Lessor and Lessee alleging set-off, fault allocation, or counterclaim, or asserting any defense to which Lessee or Lessor, its employees, or agents may be entitled. Further, each policy must specify that coverage as to Lessor may not be invalidated by any action or inaction of Lessee, including any breach by Lessee of any representation, declaration, condition, or warranty contained in the policy.

D. NOTICE OF CLAIM

1. Each party will give the other party prompt and reasonable notice of any suit, claim, or action to which the indemnity provisions of Article X would apply or relating in any way to this Lease.

ARTICLE XI: LAWS AND TAXES

- A. This Lease is issued subject to all applicable requirements of State statutes and regulations in effect during the term of this Lease. Each reference in this Lease to a statute or regulation shall be deemed to refer to the form of the respective statute or regulation, as amended, that is most current or to any successor statute or regulation applicable to the subject matter at any applicable time.
- B. The Lessee shall comply with applicable requirements imposed on the Airport by federal laws to ensure that eligibility for federal money or for participation in a federal aviation program by the Airport is not jeopardized, and with all applicable orders issued by the Lessor. Compliance with the Airport Sponsors Grant Assurances is an explicit requirement of this Lease.
- C. At no expense to the Lessor, the Lessee shall conduct all operations and activities or business authorized under this Lease in compliance with all federal, State, and local laws, ordinances, rules, and regulations now or hereafter in force that apply to the

operations and activities or business authorized in this Lease or to the use, care, operation, maintenance, and protection of the Airport, including matters of health, safety, sanitation, and pollution. The Lessee shall obtain all necessary licenses and permits, pay all taxes and special assessments lawfully imposed upon the Premises, and pay other fees and charges assessed under applicable public statutes or ordinances. Nothing in this Lease shall prevent the Lessee from challenging any taxes or special assessments to the appropriate authority under applicable procedures.

- D. In any dispute between the parties, the laws of the State of Alaska will govern. If a dispute continues after exhaustion of administrative remedies, any lawsuit must be brought in the courts of the State of Alaska, Third Judicial District at Anchorage.
- E. During the term of this Lease, at the Lessor's request, the Lessee will cooperate and assist in the investigation and litigation of any claim, demand, or lawsuit to the extent that such claim, demand, or lawsuit affects the Premises.
- F. Potential assignees or potential sublessees have no protest rights under 17 AAC 42.275 or 17 AAC 42.910, and any protests or legal appeals resulting from a denial of request for assignment or sublease must be filed and prosecuted solely by the "applicant," i.e., the Lessee. In no event will such protest or legal appeal raise or allege or seek recovery for damages allegedly sustained by a potential assignee or sublessee resulting from an Airport denial.

ARTICLE XII: ASSIGNMENT OR SUBLEASE

All provisions in this Lease extend to and bind the legal representatives, successors, and assigns of the parties.

A. **ASSIGNMENT**

- 1. The Lessee may not assign all or a portion of this Lease, including improvements, without the prior written consent of the Lessor. An assignment made contrary to the requirements of this section is void.
- 2. A request for consent to an assignment must be submitted in writing to the Lessor for approval and must include the following;
 - a. The name, address, and telephone contact number for the proposed assignee;
 - b. a description of the Premises to be assigned;
 - c. a description of the proposed assignee's intended use of the Premises;
 - d. financial and other information about the proposed assignee establishing the proposed assignee's ability to carry out the financial and other obligations under this Lease; and
 - e. three (3) originals of the executed assignment documents with notarized signatures of the assignor and proposed assignee.

3. An assignment must include a provision stating that the assignee accepts responsibility for all of the assignor's obligations under this Lease, including environmental liability and responsibility.
4. An assignee may not occupy the Premises before the Lessor consents to the assignment in writing.

B. ASSIGNMENT FOR SECURITY PURPOSES

1. The Lessee may not assign for security purposes all or a portion of or any interest in this Lease, including improvements, without the prior written consent of the Lessor. An assignment for security purposes made contrary to the requirements of this section is void.
2. A request for consent to an assignment for security purposes must be submitted in writing to the Lessor for approval and must include the following:
 - a. The name, address, and telephone contact number for the proposed assignee;
 - b. three (3) originals of the executed assignment documents with notarized signatures of the assignor and proposed assignee; and
 - c. one (1) copy of any deed of trust, promissory note, or other document that is a part of the security assignment transaction.
3. A security assignment document must include a provision stating that if the security assignee takes possession or control of this Lease, either directly or through a sublessee, by foreclosure or otherwise, under the security assignment, the assignee accepts responsibility for all of the assignor's obligations under this Lease, including environmental liability and responsibility, except that the security assignee has no affirmative duty or obligation under this Lease unless the security assignee takes possession or control of the leasehold.
4. Exercise by a security assignee of a power of sale or further assignment under a security assignment is subject to the consent of the Lessor with respect to any purchaser or assignee and shall be conditioned upon the purchaser or assignee accepting responsibility for all of the assignor's obligations under this Lease, including environmental liability and responsibility.
5. In the event of a conflict between this Lease and an assignment of an interest in this Lease, the terms of this Lease control.

C. SUBLEASE

1. Each provision of this section applies to a sublease of all or a portion of the Premises, as well as to a further sublease of a sublease. A sublease made contrary to the requirements of this section is void.

2. The Lessee may not sublease all or a portion of the Premises without the prior written consent of the Lessor. The consent of the Lessor under this section is required for each sublease of all or any portion of the Premises.
3. A request for consent to a sublease must be submitted in writing to the Lessor for approval and must include the following:
 - a. The name, address, and telephone contact number for the proposed sublessee;
 - b. a description of the property to be subleased;
 - c. a description of the proposed sublessee's intended use of the Premises;
 - d. the expiration date of the sublease;
 - e. three (3) originals of executed sublease documents or four (4) originals of executed sub-sublease documents with notarized signatures of the sublessee and sublessor;
 - f. an insurance binder and a certificate of indemnity covering the sublessee's activities on the Airport to the same extent as the Lessee's activities under Article X (INSURANCE AND INDEMNIFICATION); and
 - g. for a sub-sublease, written consent of the Lessee.
4. A sublease must include a provision that it is subject to all of the terms and conditions of this Lease governing the property being subleased. The Lessor reserves the right and authority to enforce the following obligations of Article V (RENTS AND FEES) of this Lease with respects to the sublessee's operations against either the sublessee directly, or to the extent consistent with Section L (APPLICABILITY TO SUBLESSEES, OR OTHER USERS), against the Lessee:

Section C	LANDING AND AIRCRAFT PARKING FEES
Section D	FUEL FLOWAGE FEES
Section E	CERTIFIED ACTIVITY REPORTS
Section F	LESSOR'S RIGHT TO AUDIT
Section G	PAYMENTS
Section H	INTEREST
Section I	FEES VEST IN THE LESSOR
Section J	UNPAID FEES
Section L	APPLICABILITY TO SUBLESSEES, OR OTHER USERS
5. A sublessee may not occupy the Premises before the Lessor consents to the sublease in writing.
6. A sublease may not and does not relieve the Lessee of responsibility for providing the Lessor with evidence of insurance that meets the requirements of this Lease, including coverage of the sublessee's operations on the Premises.

7. Consent to a sublease by the Lessor does not relieve or otherwise alter the obligations of the Lessee under this Lease.
8. A sublessee may not assign all or a portion of a sublease, including improvements, without the prior written consent of the Lessor and the Lessee under Section A (ASSIGNMENT) of this article. An assignment made contrary to the requirements of Section A (ASSIGNMENT) is void.

ARTICLE XIII: GENERAL PROVISIONS

A. LIENS

The Lessee shall keep the Premises and improvements placed on the Premises free of all liens, other than by assignment for security purposes as approved in writing by the Lessor, and to pay any cost for labor and materials arising out of any construction or improvements by the Lessee on the Premises.

B. CONDEMNATION OF LEASEHOLD OR IMPROVEMENTS

If, during the term of this Lease, all or a portion of the Premises is taken by negotiation, court action, or otherwise by any entity or person vested with the power of eminent domain, including the Lessor, the provisions of 17 AAC 42.255, as amended and as applicable, will govern.

C. APPROVAL BY LESSOR

The Lessor will not unreasonably withhold any approval required under this Lease.

D. NOTICES

1. Any notice required under this Lease must be hand-delivered or sent in such a way as to confirm receipt to the appropriate party at the address set out on page one of this Lease or to any other address that the parties subsequently designate in writing by first class or higher priority service via the United States Postal Service, by a comparable level of delivery service via a nationally recognized private carrier of correspondence and other communications.
2. Unless otherwise agreed to in writing, the Lessee shall supply the Lessor as promptly as possible, and in any event within fifteen (15) business days after the Lessee first receives or sends the same, a copy of any claim, report, complaint, notice, lien, warning, or asserted violation relating in any way to the Premises or the Lessee's use of the Airport.

E. MODIFICATION

The Lessor may modify this Lease to meet the revised requirements of federal or State grants or to conform to the requirements of any revenue bond covenant that the State of Alaska is a party to, provided that a modification does not reduce the rights or privileges granted the Lessee under this Lease or act to cause the Lessee financial loss. The Lessee shall be notified of any such modification. The parties may also jointly agree to modify this Lease by written agreement signed by authorized members of each party.

F. VALIDITY OF PARTS

If any provision of this Lease is declared to be invalid by a court of competent jurisdiction, the remaining provisions will continue in full force.

G. INTERRELATIONSHIP OF PROVISIONS

All provisions of this Lease, drawings attached as exhibits, supplements, and any addenda are essential parts of this Lease and are intended to be cooperative, provide for the use of the Premises, describe the respective rights and obligations of the parties to this Lease, and are incorporated into this Lease. In case of a discrepancy, computed dimensions govern over scaled dimensions unless obviously incorrect.

H. INTEGRATION AND MERGER

This Lease sets out all the terms, conditions, and agreements of the parties and supersedes any previous understandings or agreements regarding the Premises whether oral or written. Unless specifically authorized within a provision, no modification or amendment of this Lease is effective unless in writing and signed by both of the parties.

I. EXECUTION BY THE PARTIES

This Lease is of no effect until it has been signed by the Commissioner of the Department of Transportation and Public Facilities or a designated representative of the Commissioner and by the Lessee or a duly authorized employee, officer, or agent of the Lessee.

J. CAPTIONS

The captions of the provisions of this Lease are for convenience only and do not necessarily define, limit, describe, or construe the contents of any provision.

K. ADDITIONAL INFORMATION

The Lessor may, from time to time, require the Lessee to provide such documentation as the Lessor may reasonably require to establish the Lessee's continuing qualification for this Lease, or to obtain information reasonably related to administration of the Lease or Airport property.

L. QUIET ENJOYMENT

During the term of this Lease the Lessee will have quiet enjoyment of the Premises subject to the terms and conditions stated in this Lease.

M. DAMAGES, COSTS, AND FEES INCURRED TO ENFORCE LEASE

1. The Lessee shall pay, within thirty (30) days of the Lessor's billing date, any cost or damage, including legal fees and administrative costs, that the Lessor incurs due to a failure of the Lessee to comply with a provision of this Lease, or

otherwise to enforce this Lease. Such costs and damages shall include any expense incurred by the Lessor under Article VIII (OPERATIONS), Section O (RIGHT OF LESSOR TO PERFORM) to perform any action required of the Lessee or under Article IX (CANCELLATION, EXPIRATION, OR OTHER TERMINATION), Section A (LESSEE DEFAULT), Paragraph 3, to correct a violation of a term of this Lease, as well as all reasonable actual expenses, costs, and attorney fees the Lessor may incur, with or without formal action, to enforce, defend, or protect this Lease or the Lessor's rights under this Lease, including any expense incurred with respect to environmental compliance or bankruptcy.

2. Any amount payable under this section will constitute additional rent, will be subject to Article V (RENTS AND FEES) and will be subject to default for nonpayment under Article IX (CANCELLATION, EXPIRATION, OR OTHER TERMINATION), Section A (LESSEE DEFAULT) Paragraph 6. All remedies of the Lessor under this Lease are cumulative and in addition to any and all other remedies available at law or equity. The protest and appeal procedures of 17 AAC 42.910 and 42.920 constitute the sole procedures for review of a decision by or action of the Lessor with respect to this Lease.

N. INTERPRETATION

Both parties have had an opportunity to review this Lease, to suggest changes, and to consult with legal counsel before signing. The Permit will not be interpreted in favor of or against either Party.

O. GENERAL SUBORDINATION CLAUSE

This Lease is subject and subordinate to the provisions of any existing or future agreements between the Lessor and the United States, the execution of which is or has been required as a condition precedent to the transfer of federal rights or property to airports for airport purposes, or to the expenditure of federal funds or passenger facility charges for airport improvements, maintenance, or development. Lessee shall abide by requirements of agreements entered into between Lessor and the United States, and shall consent to amendments and modifications of this Lease if required by such agreements or is required as a condition of Lessor's entry into such agreements.

P. DISABILITY LAWS AND ACCESSIBILITY COMPLIANCE

Lessee shall comply and shall require its sublessees and contractors to comply and act in accordance with provision of the Americans with Disabilities Act of 1990 (the "ADA"), and federal regulations promulgated thereunder. With respect to any improvements Lessee constructs on the Premises, Lessee agrees to meet all the requirements of the ADA which are imposed directly on Lessee or which would be imposed on the Lessor as a public entity. Lessee agrees to be responsible for knowing all applicable rules and requirement of the ADA and to defend, indemnify, and hold harmless Lessor, its officials, agents and employees from and against any and all claims, actions, suits or proceedings of any kind brought against the Lessor as a result of any acts or omissions of Lessee or its contractors or agents in violation of the ADA.

IN WITNESS WHEREOF, the parties have set their hands on the day and year as stated in the acknowledgments below:

Lessee: <LESSEE NAME

By: _____

Title: _____

STATE OF _____)
)ss
)
(Judicial District or County)

THIS IS TO CERTIFY that on this _____ day of _____, 2023, before me, the undersigned, a Notary Public in and for the State of _____, duly commissioned and sworn, personally appeared _____, known to me to be an officer of the above named corporation, and who executed the same for and on behalf of said corporation, and who is fully authorized by said corporation to do so; and that the corporate seal affixed to said instrument is the corporate seal of said corporation.

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

Notary Public in and for: _____
My Commission Expires: _____

STATE OF ALASKA
DEPARTMENT OF TRANSPORTATION
AND PUBLIC FACILITIES

Craig Campbell
Airport Director
Ted Stevens Anchorage International Airport

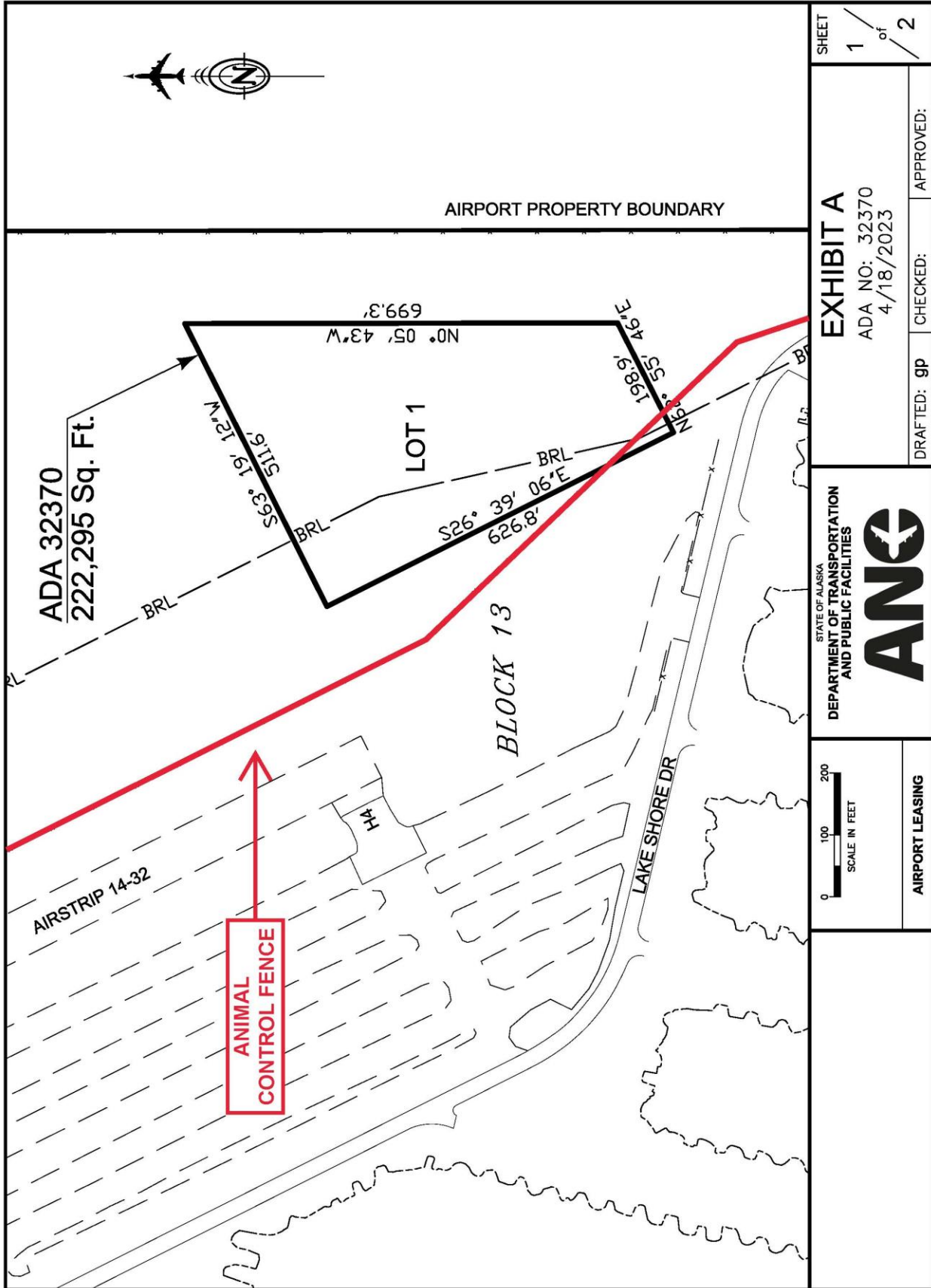
STATE OF ALASKA)
)ss
THIRD JUDICIAL DISTRICT)

THIS IS TO CERTIFY that on this _____ day of _____, 2023, before me, the undersigned, a Notary Public in and for the State of Alaska, duly commissioned and sworn, personally appeared Craig Campbell, known to me to be the Airport Director, Ted Stevens Anchorage International Airport, Department of Transportation and Public Facilities, State of Alaska, and who acknowledged to me that the foregoing instrument was executed freely and voluntarily on behalf of the State of Alaska, Department of Transportation and Public Facilities, for the uses and purposes therein set forth and who is authorized by said State of Alaska to do so.

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

Notary Public in and for Alaska
My Commission Expires:_____

EXHIBIT A: PREMISES



SHEET
1 of 2

EXHIBIT A
 ADA NO: 32370
 4/18/2023

DRAFTED: gp CHECKED: APPROVED:

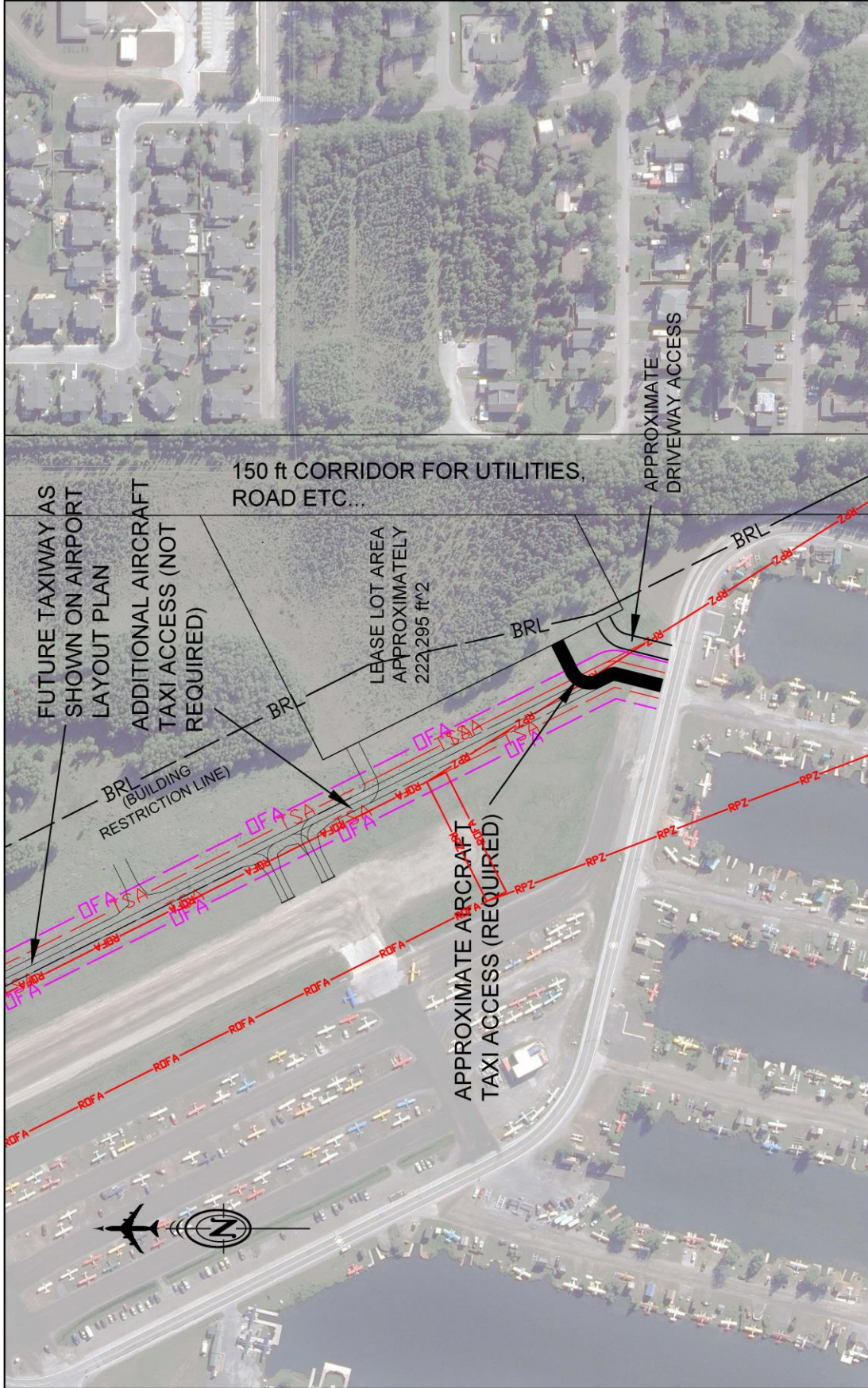
STATE OF ALASKA
 DEPARTMENT OF TRANSPORTATION
 AND PUBLIC FACILITIES

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 SCALE IN FEET

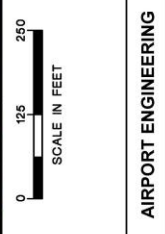
AIRPORT LEASING

EXHIBIT A: CONTINUED



SHEET 2 of 2

EXHIBIT A: Continued
 LOT 1
 BLOCK 13



TAXIWAY LAYOUT IS FROM ALP
 BUILDINGS MUST REMAIN OUTSIDE OF
 RUNWAY & TAXIWAY SURFACES &
 COMPLY WITH AIRSPACE REVIEW BY FAA

EXHIBIT B: TITLE VI LIST OF PERTINENT NONDISCRIMINATION AUTHORITIES

(Source: Appendix E of Appendix 4 of FAA Order 1400.11, Nondiscrimination in Federally-Assisted Programs at the Federal Aviation Administration)

During the performance of this Lease, Lessee, for itself, its assignees, and successors in interest agrees to comply with the following non-discrimination statutes and authorities; including but not limited to:

- Title VI of the Civil Rights Act of 1964 (42 U.S.C. § 2000d *et seq.*, 78 stat. 252), (prohibits discrimination on the basis of race, color, national origin);
- 49 CFR part 21 (Non-discrimination In Federally-Assisted Programs of The Department of Transportation—Effectuation of Title VI of The Civil Rights Act of 1964);
- The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, (42 U.S.C. § 4601), (prohibits unfair treatment of persons displaced or whose property has been acquired because of Federal or Federal-aid programs and projects);
- Section 504 of the Rehabilitation Act of 1973, (29 U.S.C. § 794 *et seq.*), as amended, (prohibits discrimination on the basis of disability); and 49 CFR part 27;
- The Age Discrimination Act of 1975, as amended, (42 U.S.C. § 6101 *et seq.*), (prohibits discrimination on the basis of age);
- Airport and Airway Improvement Act of 1982, (49 USC § 471, Section 47123), as amended, (prohibits discrimination based on race, creed, color, national origin, or sex);
- The Civil Rights Restoration Act of 1987, (PL 100-209), (Broadened the scope, coverage and applicability of Title VI of the Civil Rights Act of 1964, The Age Discrimination Act of 1975 and Section 504 of the Rehabilitation Act of 1973, by expanding the definition of the terms “programs or activities” to include all of the programs or activities of the Federal-aid recipients, sub-recipients and contractors, whether such programs or activities are Federally funded or not);
- Titles II and III of the Americans with Disabilities Act of 1990, which prohibit discrimination on the basis of disability in the operation of public entities, public and private transportation systems, places of public accommodation, and certain testing entities (42 U.S.C. §§ 12131 – 12189) as implemented by Department of Transportation regulations at 49 CFR parts 37 and 38;
- The Federal Aviation Administration’s Non-discrimination statute (49 U.S.C. § 47123) (prohibits discrimination on the basis of race, color, national origin, and sex);
- Executive Order 12898, Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations, which ensures discrimination against minority populations by discouraging programs, policies, and activities with disproportionately high and adverse human health or environmental effects on minority and low-income populations;
- Executive Order 13166, Improving Access to Services for Persons with Limited English Proficiency, and resulting agency guidance, national origin discrimination includes discrimination because of limited English proficiency (LEP). To ensure compliance with Title

VI, you must take reasonable steps to ensure that LEP persons have meaningful access to your programs (70 Fed. Reg. at 74087 to 74100);

- Title IX of the Education Amendments of 1972, as amended, which prohibits you from discriminating because of sex in education programs or activities (20 U.S.C. 1681 et seq).
- 28 CFR Part 35 (Nondiscrimination on the Basis of Disability in State and Local Government Services)
- 28 CFR Part 36 (Nondiscrimination on the Basis of Disability by Public Accommodations and in Commercial Facilities)