

**STATE of ALASKA**  
**DEPARTMENT OF TRANSPORTATION & PUBLIC**  
**FACILITIES**  
**MASTER LEASE FOR RESIDENTIAL PROPERTIES**

**Between**

**THE STATE OF ALASKA**

**And**

**TELEPHONE HILL NEIGHBORHOOD NON-PROFIT**  
**MANAGEMENT CORPORATION**

**For**

**Residential Properties Located On Telephone Hill**  
**Juneau, Alaska**

(5)

203 W. 3rd St., Apts A-E

135 W 2nd St.

139 W 2nd St.

124 Dixon St

125 Dixon St

128 Dixon St

211 Dixon St.

214 Dixon

1. **Parties to the Lease:** This lease is between the State of Alaska, Department of Transportation and Public Facilities, whose address is 6860 Glacier Highway, Juneau, Alaska, 99801, at 465-4540, as lessor (hereafter referred to as "State") and Telephone Hill Neighborhood Non-profit Management Corporation (hereafter referred to as Lessee), % Hesson & Deakins, whose address is 601 Willoughby Ave., Juneau, Alaska 99801, and whose registered agents are: Ms. Peggy Pijan, (128 Dixon St., Juneau, AK. 99801), Ms. Rachel Beck, (211 Dixon St., Juneau, AK. 99801), and Ms. Maureen Conerton, (135 W. 2<sup>nd</sup> St., Juneau, AK. 99801).
2. **Property to be Leased:** The leased property, referred to as "the premises" cover the following residential properties: 203 W. 3<sup>rd</sup> St., Apts. 'A' to 'E'; 135 W. 2<sup>nd</sup> St.; 139 W. 2<sup>nd</sup> St.; 124 Dixon St.; 125 Dixon St.; 128 Dixon St.; 211 Dixon St.; 214 Dixon St., and the land on which they are situated, as depicted on the attached Exhibit A.
3. **Term of the Lease:** The term of this lease shall be 5 years, beginning at 12:00 Noon on October 1, 2001 and ending at the same time on October 1, 2006.
4. **Rental Amount:** The premises shall be leased for Four Thousand Dollars per month, payable on the 10<sup>th</sup> day of each month. The rental amount shall be reevaluated by the State on or about October 1, 2004 to determine the economic rent for the premises. The rental amount may be adjusted at that time.
5. **Use:** It is intended that the premises be leased to Lessee for the purpose of subleasing to residential tenants.
6. **Expenses:** All expenses shall be paid for by the Lessee. Lessee shall be responsible for providing self addressed stamped envelopes to the State for the purpose of forwarding heating fuel billings to Lessee, which shall be paid by Lessee.
7. **Condition of the Premises:** The Lessee has had an opportunity to inspect the premises and is familiar with its current condition. The Lessee accepts the premises in it's current condition. Lessee agrees to maintain the premises in a habitable and reasonable condition, reasonable wear and tear excepted. The Lessee will ensure that each unit is equipped with a functioning smoke detector.
8. **Utilities:** All electric, garbage, wastewater and water shall be paid for by Lessee.
9. **Insurance:** The premises are self-insured under the Risk Management Program by the State. The Lessee may insure the premises against loss, but will not be entitled to any compensation for loss of occupancy or use of the premises other than a reduction of rent pro rata for the loss of ability to occupy the premises.
10. **Right to Enter and Inspect:** The State shall have the right to inspect the premises, and for any other valid purpose, upon reasonable notice, but in any case with 24 hours notice.

11. **Condemnation:** The Lessee specifically waives rights to compensation if the property is needed for a State Capital Improvements Project, except that the occupants will be entitled to relocation benefits where federal funds are available under the Uniformed Relocation Assistance Act.
12. **Default and Remedies:** If Lessee should default in any of the obligations under this Lease, and if such default shall continue after 30 days written notice of default, the State may terminate this lease by written notice, subject to a reasonable opportunity to cure the default.
13. **Major Repairs:** Major repairs shall be defined as any repair necessary to prevent the failure of the structure or the habitability of the unit or units. All major repairs shall be made at the expense of the Lessee. The State shall maintain a major repair fund of \$10,000.00 that is subject to legislative appropriation. This fund may be made available for major repairs at the discretion of the State. The Lessee may request funds for major repairs in writing. The State will respond within 15 days with a decision regarding the repairs. In the event that the State decides not to provide funds for the repairs, the Lessee shall have the option to remove the effected building, structure, in whole or in part, from the lease, and have the lease payment reduced pro rata. Nothing in this paragraph prevents the parties from negotiating a different rental rate where major repairs improve the rental value of the premises.
14. **Nondiscrimination:** Lessee shall comply with all the applicable Civil Rights and other nondiscrimination laws in subleasing all or any part of the premises.
15. **Default and Remedies:** The parties will have resort to any legal remedies available.
16. **Assignment:** This lease may not be assigned, assumed, mortgaged or otherwise encumbered except with the express written approval of the State. This in no way prevents the Lessee from making subleases as specified in Paragraph 5 above.
17. **Surrender of Possession or Abandonment:** Lessee agrees to surrender the Premises in substantially as good a condition as received, reasonable wear and tear, wars and natural disasters excepted. Lessee further agrees to vacate the Premises and remove or cause to be removed all personal property. All personal property remaining 20 days after surrender or abandonment or dispossession by process of law or otherwise, become the property of the State.
18. **Termination:** Either party may terminate this Lease with 6 months written notice.
19. **Indemnifications:** Lessee shall defend, indemnify and hold harmless the State for any liability it may incur in connection with the Lease.
20. **Holdover:** If the Lessee, with the consent of the State, remains in possession of the Premises after expiration or termination of the Lease term, or after receiving notice of

Lease termination given by the State, such possession by Lessee shall be a month to month tenancy, subject to the term of this lease.

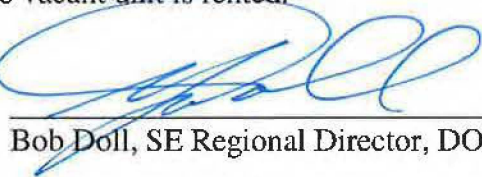
21. **Application of Laws:** The Premises may be used for lawful purposes only. Any unlawful use of the premises shall be cause for default. All applicable federal, State or municipal laws are hereby incorporated as terms of and become a part of this Lease. It is specifically agreed that the Landlord Tenant Act (AS 34.03) shall not apply to this Lease, although such may be applicable to subleases made by the Lessee. The laws of the State of Alaska shall be used in case of any legal dispute. Existing rental agreements remain in effect until terminated with appropriate under required by AS 34.03.
22. **Preference right to purchase:** If the State determines that it is in the best interest of the State to sell the Premises, or the structures to be removed for the property, in whole or in part, the Lessee shall have a first right of refusal to purchase the property to be sold, on the same terms and conditions, in consideration of the improvements made by the Lessee and individual tenants. This Paragraph does not apply to a sale, lease, to the State of Alaska or a political subdivision thereof or a sale in lieu of condemnation, or other development for a public purpose. The Lessee shall also have the right to remove any improvements from the buildings, made by the Lessee or tenants so long as the improvements are not integral to the structural integrity of the building.
23. **Landscape Vegetation:** If the State determines that the structures are to be removed and the property developed for a public purpose, the Lessee will have the right to remove landscape vegetation, so long as the removal does not interfere with the development of the property.
24. **Contamination and Hazardous substances:** All laws pertaining to hazardous and petroleum-based substances shall be observed. Any spill of petroleum or other hazardous substances shall be reported immediately to the Department of Environmental Conservation at 465-5220 or 1-800-478-9300 and to the State at its address and phone listed in Paragraph 1.
25. **Other Areas:** This lease shall also include the area within Lots 1, 2, and 3, Block 1, United States Survey 7 (south facing along W. 1<sup>st</sup> St.). The Lessee has the option to relinquish this right at any time, so long as it is restored to a condition similar to that at the time of execution of this lease. The City and Borough of Juneau (CBJ) has the option of buying the above lots. If CBJ exercises this option the State will covey the lots to them and this clause becomes shall null and void. Excluded areas are: The Legislative parking lot; and the City parking lot at the end of Dixon St./W. 1<sup>st</sup> St.
26. **Assignment of existing rental agreements:** By execution of this lease, the State assigns all rights and interest in existing rental agreements to the Lessee.

27. This agreement may be modified, or extended for a term equal to that on the lease, by mutual agreement of the parties.

28. Other Terms and Conditions:

- a. The contact name, address and telephone number of the State is:  
Property Manager  
6860 Glacier Highway  
Juneau, Alaska 99801  
907-465-4546
- b. The contact name, address and telephone number of the Lessee is: Ms. Peggy Pijan, (907) 463-3586  
Alternates: Ms. Rachel Beck, (907) 586-6293, and Ms. Maureen Conerton, (907) 586-9406.
- c. Any disputes over the terms of the lease will be resolved by arbitration, the arbitrator to be chosen by both parties.
- d. Lessee agrees to maintain reserve accounts sufficient to make repairs and to pay for utilities and other requirements under this lease.
- e. Allowance for Vacancy: In the event of a vacancy, the Lessee shall have the option to have the lease payment due under this lease reduced pro rata, until the vacant unit is rented.

For the State:

  
Bob Doll, SE Regional Director, DOTPF

11/13/01  
Date

For the Lessees:

  
\_\_\_\_\_

11-1-01  
Date

PEGGY PIJAN (BOARD member)  
Printed Name and Title

Attached Corporate resolution authorizing execution of this lease.



EXHIBIT A

