

UNIVERSITY OF ALASKA

AMENDMENT NO. 3 BETWEEN
THE UNIVERSITY OF ALASKA AND THE CITY AND BOROUGH OF JUNEAU
FOR LEASE AGREEMENT
FISHERIES AND MARINE RELATED DEVELOPMENT OF UAS MARINE TECH CENTER
JUNEAU, ALASKA

THIS LEASE AGREEMENT AMENDMENT NO.3 (“Amendment No.3”), by and between THE CITY AND BOROUGH OF JUNEAU (“LESSEE”), a municipal corporation whose address is 155 South Seward Street, Juneau, Alaska 99801 and the UNIVERSITY OF ALASKA (“LESSOR”), a corporation created under the Constitution and laws of the State of Alaska, whose address is 1815 Bragaw Street, Suite 101, Anchorage, Alaska 99508 3438, is made effective as of May 6, 2023.

RECITALS

WHEREAS, the Lessor and Lessee entered into that certain Lease dated May 6, 1988, for a term of thirty-three years.

WHEREAS, the 1988 Lease allowed Lessee a one-time option to extend the Term of the Lease for an additional thirty-three years, which Lessee did not exercise.

WHEREAS, the parties previously agreed to Amendments No. 1 in 2021 and No. 2 in 2022, each extending the lease term for a year, now set to expire May 5, 2023.

WHEREAS, the parties are now desirous of leasing the same property for a four-year term.

NOW THEREFORE, The City and Borough of Juneau and the University of Alaska agree as follows:

Sections 1.3 and 1.4 are deleted.

Section 2 is replaced in its entirety with:

TERM.

A. This Lease shall be for **FOUR (4)** years (the “Term”) commencing on **May 5, 2023** and expiring **May 4, 2027** without notice or other action by either party, unless earlier terminated or extended as provided in this Lease.

Section 3 is deleted.

Section 4 is replaced in its entirety with:

RENT.

A. Base Rent. Lessee agrees to pay to the University the sum of EIGHT THOUSAND THREE HUNDRED THIRTY-THREE AND 33/100 DOLLARS (\$8,333.33) monthly as rent, payable upon execution of this Lease with the first payment due May 5, 2023 and on the fifth of each month thereafter, without deduction and without notice or demand. Payment shall be submitted to the University at the address listed on page 1 of this Lease or at such other place as the University may designate.

- B. Interest on Unpaid Rent, Late Charges. A late payment fee of five percent (5%) of the amount due shall accrue for any payments due under this Lease not made within ten (10) days of the due date. In addition to the late payment fee, unless otherwise specifically provided herein, any sum payable to Lessor hereunder which is not paid when due shall bear interest at the highest rate allowable under AS 45.45.010 (b) on all amounts past due from the date the same becomes due until paid.
- C. Educational Benefit. In consideration for the Base Rent being discounted from the fair market rental value of the property, Lessee will provide, throughout the Lease term, the following in-kind benefits:
1. Lessee shall provide free lift tickets and 50% discounts on gear rental at Eaglecrest for UAS students and entering into internships for UAS students pursuing outdoor recreation degrees.
 2. Lessee shall provide CBJ bus passes to UAS students at no cost.
 3. Lessee shall provide access at no cost to Treadwell Rink, CBJ Pools and Dimond Park Fieldhouse for UAS students.
 4. Lessee shall provide kayak storage and launch services at Statter Harbor at no cost for UAS students.
 5. Lessee shall provide or arrange no fewer than three (3) paid maritime internships to UAS students each semester, including but not limited to harbor operations, harbor marketing, or harbor administration.
 6. Lessee engaged relationships with the UAS/CG/ CSPI program.
 7. Lessee shall provide snow removal at no cost to UAS at the 5.34-acre UAS Tech Center facility, both those portions leased hereunder to Lessee and those portions remaining under UAS occupancy, including but not limited to the UAS Welding Lab and UAS Vo-Tech Building.

Section 5 is deleted.

Section 11 is replaced in its entirety with:

INSURANCE.

A. General Requirements.

- i. Lessee and its contractor and subcontractor(s) of any tier are required to carry the types and limits of insurance shown in this insurance clause, Section 12, and to provide the Lessor with a Certificate of Insurance ("certificate"). The Lessee and its contractor and subcontractor(s) shall not commence work under this contract until satisfactory evidence has been provided to the Lessor that the Contractor can cover the requirements set forth in this provision with regard to the Contractor and all subcontractors when engaged in any work performed under this contract. All certificates shall be coordinated by the Lessee and provided to the Lessor prior to signing of the contract by the Lessee. Certificates shall be executed by a duly authorized representative of each insurer, showing compliance with the insurance requirements set forth below. All certificates shall provide for thirty (30) days' written notice to the Lessor prior to cancellation, non-renewal, or other material change of any insurance referred to therein as evidenced by return receipt of

United States certified mail.

- ii. Additionally, and at its option, Lessor may request certified copies of required policies and endorsements. Such copies shall be provided within (10) ten days of the Lessor's request.
- iii. All insurance required hereunder shall be maintained in full force and effect with insurers with Best's rating of AV or better and be licensed and admitted in Alaska. All policies required shall be written as primary policies and not contributing to nor in excess of any coverage the Lessor may choose to maintain. Failure to maintain the required insurance may result in termination of this Private Suite Space Use Agreement at the Lessor's option.
- iv. All policies shall name the Lessor as Additional Insured. On the certificate, the Lessor shall be stated as: "University of Alaska." Certificates shall be mailed to:

University of Alaska
Facilities and Land Management
1815 Bragaw Street, Suite 101
Anchorage, Alaska 99508

- v. Failure of Lessor to demand such certificate or other evidence of full compliance with these insurance requirements or failure of Lessor to identify a deficiency from evidence that is provided shall not be construed as a waiver of the obligation of Lessee and its contractor and subcontractor(s) of any tier to maintain such insurance.
- vi. No Representation of Coverage Adequacy. By requiring insurance herein, Lessor does not represent that coverage and limits will necessarily be adequate to protect Lessee and its contractor and subcontractor(s) of any tier, and such coverage and limits shall not be deemed as a limitation on the liability of the Lessee and its contractor and subcontractor(s) of any tier under the indemnities granted to the Lessor in this Lease.
- vii. Lessee is responsible for coordinating the reporting of claims and for the following: (a) notifying the Lessor in writing as soon as practicable after notice of an injury or a claim is received; (b) cooperating completely with the Lessor in the defense of such injury or claim; and (c) taking no steps (such as admission of liability) which will prejudice the defense or otherwise prevent the Lessor from protecting its interests.
- viii. Failure to comply with this provision may preclude other contracts and agreements between the Lessee and the Lessor. Where specific limits are shown, it is understood that they shall be the minimum acceptable limits. If the Lessee's policy contains higher limits, the Lessor shall be entitled to coverage to the extent of such higher limits. Certificates of Insurance must be furnished to the Lessee prior to beginning work and must provide for a 30-day prior notice to the Lessor of cancellation, non-renewal, or material change. Failure to furnish satisfactory evidence of insurance or lapse of the policy is a material breach and grounds for termination of the Lessee and its contractor and subcontractor's services.
- ix. In the event Lessee as a municipality self-insures for any of these insurance requirements, Lessee will provide Lessor with a letter to document its self-insurance program. Unless Lessor within 30 days of that letter that some aspect of the self-insurance program is inadequate, the self-insurance

program will be deemed to meet the requirements of this section 13.

- B. **Required Insurance Coverage.** Without limiting Lessee's indemnification, it is agreed that Lessee and its contractor and subcontractor(s) shall purchase at its own expense and maintain in force at all times during the performance of services under this agreement policies of insurance covering the following types and limits:
- i. **Commercial General Liability Insurance.** Lessee and its contractor and subcontractor(s) of any tier shall maintain Commercial General Liability ("CGL") written on an occurrence basis and with a limit of not less than TWO MILLION AND NO/100 DOLLARS (\$2,000,000.00) each occurrence and TWO MILLION AND NO/100 DOLLARS (\$2,000,000.00) aggregate. If such CGL insurance contains a general aggregate limit, it shall apply separately by location and shall not be less than FIVE MILLION AND NO/100 DOLLARS (\$5,000,000.00). CGL insurance shall be written on standard ISO occurrence form (or a substitute form providing equivalent coverage) and shall cover liability arising from premises, operations, broad form property damage, independent contractors, products-completed operations, personal injury and advertising injury, explosion, collapse, underground hazards, and liability assumed under a contract including the tort liability of another assumed in a business contract. If necessary to provide the required limits, the Commercial General Liability policy's limits may be layered with a Commercial Umbrella or Excess Liability policy. This policy shall name the Lessor as Additional Insured and waiver of subrogation language shall be included.
 - ii. **Commercial Auto Insurance.** Lessee and its contractor and subcontractor(s) of any tier shall maintain a Commercial Auto policy with a Combined Single Limit of not less than ONE MILLION AND NO/100 DOLLARS (\$1,000,000.00); Underinsured and Uninsured Motorists limit of not less than \$1,000,000; Comprehensive; Collision; and a Medical Payments limit of not less than \$10,000. Coverage shall include Non-Owned and Hired Car coverage. This policy shall name the Lessor as Additional Insured and waiver of subrogation language shall be included.
 - iii. **Workers' Compensation.** Lessee and its contractor and subcontractor(s) of any tier shall provide and maintain, for all of its employees engaged in work under this contract, Workers' Compensation Insurance in accordance with the laws of the State of Alaska. The Lessee and its contractor shall be responsible for Workers' Compensation Insurance for any subcontractor(s) who directly or indirectly provides services under this contract. This coverage must include statutory coverage for states in which employees are engaging in work and employer's liability protection not less than ONE MILLION AND NO/100 DOLLARS (\$1,000,000.00) each accident, ONE MILLION AND NO/100 DOLLARS (\$1,000,000.00) each person and ONE MILLION AND NO/100 DOLLARS (\$1,000,000.00) policy limit. Where applicable, coverage for all federal acts (i.e., U.S.L. & H and Jones Act) must also be included.
 - iv. **Personal Property.** If applicable, Lessee and its contractor and subcontractor(s) of any tier shall purchase insurance to cover personal property of Lessee and its contractor and subcontractor(s) of any tier. In no event shall Lessor be liable for any damage to or loss of personal property sustained by Lessee and its contractor and subcontractor(s) of any tier, even if such loss is caused by the negligence of Lessor, its Board of Regents, officers, employees, agents and representatives.
 - v. **Professional Liability.** If available generally to members of the professions of Lessee and its contractor and subcontractor(s) of any tier, Lessee and its contractor and subcontractor(s) of any

tier shall maintain Professional Liability (Errors & Omissions) insurance on a claims made basis, covering claims made during the policy period and reported within three years of the date of occurrence. Professional Liability shall include all errors, omissions, or negligent or wrongful acts of the Lessee, contractor, subcontractor, or anyone directly or indirectly employed by them, made in the performance of this contract which results in financial loss to the Lessor. Limits of liability shall be not less than one million AND NO/100 dollars (\$1,000,000.00). Coverage shall be maintained for the duration of this contract plus three (3) years following the date of final payment.

- vi. **Pollution Liability Insurance.** If applicable, Lessee and its contractor and subcontractor(s) of any tier, shall maintain Pollution Liability Insurance covering pollution legal liability arising from sudden and accidental and gradual pollution, and applicable to bodily injury, property damage, including natural resource damage, loss of use of damaged property or of property that has not been physically injured or destroyed; cleanup costs, removal, storage, disposal and or use of the pollutant; and defense, including costs and expenses incurred in the investigation, defense, or settlement of claims. Coverage shall be maintained in an amount of at least Two Million AND NO/100 Dollars (\$2,000,000.00) per loss. Coverage shall apply to sudden and gradual pollution conditions resulting in the escape or release of smoke, vapors, fumes, acids, alkalis, toxic chemicals, liquids or gases natural gas, waste materials, or other irritants, contaminants or pollutants. If coverage is written on a claims-made basis, the Lessee and its contractor and subcontractor(s) warrants that any prior acts or retroactive date applicable to coverage under the policy precedes the effective date of this contract; and that continuous coverage will be maintained or an extended discovery period will be exercised for a period of three (3) years beginning from the time that work under this contract is completed. This policy shall name the Lessor as Additional Insured and waiver of subrogation language shall be included.
- vii. **Aircraft.** If aircraft are used in the operations to be performed hereunder, aviation liability insurance with limits of TWENTY-FIVE million (\$25M) per occurrence combined single limit for bodily injury and property damage liability. This coverage shall include all owned, hired and non-owned aircraft. If Lessee and its contractor and subcontractor(s) operates an airstrip, airfield or other airport facilities in the operations be performed hereunder, the coverage shall include airport liability. This policy shall name the Lessor as Additional Insured and waiver of subrogation language shall be included.
- viii. **Watercraft.** If watercraft are used in the operations to be performed hereunder, watercraft liability insurance with limits of TWENTY-FIVE million (\$25M) per occurrence, combined single limit for bodily injury and property damage liability. This coverage shall include owned and non-owned watercraft. This policy shall name the Lessor as Additional Insured and waiver of subrogation language shall be included.
- ix. **Well Control.** If new or existing wells are coordinated or used in the operations to be performed hereunder, coverage for the cost of bringing a well under control in the event of blowout, including resultant pollution, seepage or contamination and resultant clean-up, cost to restore or re-drill a well due to blowout, crater or fire, and the cost of extinguishing an oil and gas well fire, shall be included. Limit shall be TWO HUNDRED million (\$200M). This policy shall name the Lessor as Additional Insured and waiver of subrogation language shall be included.
- x. **Excess Liability.** If necessary to provide the required limits, required policy limits may be layered

with a Commercial Umbrella or Excess Liability policy or policies. This policy shall name the Lessor as Additional Insured and waiver of subrogation language shall be included.

Section 25 is replaced in its entirety with:

- A. Holdover. If Lessee shall, with the written consent of Lessor, hold over after the expiration of the term of this Lease, such tenancy shall be for an indefinite period of time on a month-to-month tenancy, provided that this tenancy may be terminated by either party with ninety (90) days' prior notice. During such tenancy, Lessee agrees to pay Lessor monthly rent at the rate of One Hundred Twenty-Five Percent (125%) of 1/12th of the annual rent in effect immediately prior to the holding over, unless a different rate shall be agreed upon in writing. Lessee shall be bound by all the other terms, covenants, and conditions of this Lease, so far as applicable.

Sections 6-10, 12-24, and 26-32 are retained and in continuing effect, except as they may become inapplicable by reason of the specific changes made herein. In the event of any irreconcilable inconsistencies between the retained sections and the amended sections hereunder, the amended sections will be deemed controlling.

IN WITNESS WHEREOF, the parties have executed this Amendment No. 3 below.

LESSEE:

Rorie Watt
City Manager
CITY AND BOROUGH OF JUNEAU

Date

LESSOR:

Adrienne K. Stolpe
Director of Land Management
UNIVERSITY OF ALASKA

Date