

(CBJ Letterhead)

February __, 2025

VIA EMAIL ONLY

Alaska Permanent Fund Corporation
c/o Tracey Ricker of Ricker Real Estate Consulting, LLC
rickerrealestate@gmail.com

Re: Letter of Intent for Purchase and Sale of Two Floors of the Burns Building and Formation of a Commercial Condominium Association

Dear _____:

This letter of intent, effective as of the date of Seller's signature agreeing to and accepting this letter of intent ("**Effective Date**"), constitutes an expression of interest of the City and Borough of Juneau ("**Purchaser**") in purchasing and the interest of Alaska Permanent Fund Corporation ("**Seller**") in selling the Premises (as hereinafter defined) on the general terms and conditions described herein. It will also serve as the basis for negotiating: (i) a definitive purchase and sale agreement for the purchase and sale of the Property (the "**Purchase Agreement**"); and (ii) covenants, conditions and restrictions ("**CCRs**") to convert the Property into a commercial condominium association. This letter of intent supersedes all prior oral and written proposals between the parties. The proposed terms and conditions for the purchase and sale of the Property are as follows:

1. The Property and the Premises. That certain property having an address at 801 W. 10th St., Juneau, Alaska 99801, and commonly known as the Michael J. Burns Building (the "**Property**"), the 1st and 2nd Floors at the Property (the "**Premises**").

2. Execution of Purchase Agreement. Purchaser and Seller shall negotiate the Purchase Agreement diligently and in good faith. Notwithstanding the foregoing, no binding agreement shall exist with respect to the purchase and sale of the Premises unless the Purchase Agreement has been duly executed and delivered by both Purchaser and Seller. Purchaser and Seller shall endeavor to enter into and execute the Purchase Agreement on or before March 31, 2025. Purchaser's counsel shall prepare the initial draft of the Purchase Agreement. CCRs will be exhibits attached to the Purchase Agreement along with other documents necessary to convert the Property into a commercial condominium association on the Closing Date (as hereinafter defined). The CCRs will create a form of real estate ownership that is a multi-unit property in which each unit (or floor) is owned exclusively by a commercial entity with the Property's common elements owned by all the unit (or floor) owners as tenants in common. Allowing Purchaser and Seller to own and use distinct portions of the Property independently of one another while collectively owning and using common areas, facilities, and systems serving the entire Property. The form of collective ownership will be a nonprofit condominium association entity. Any additional required exhibits will be set forth in the Purchase Agreement.

3. Purchase Price. NINE MILLION THREE HUNDRED THOUSAND and 00/100 (\$9,300,000.00) Dollars, all cash, in immediately available funds. The purchase price shall be paid by the Purchaser at the closing of the sale of the Premises, except for the Earnest Money Deposit, which shall be paid as and when set forth in Paragraph 4 below.

4. Earnest Money Deposit. Fifty thousand and 00/100 (\$50,000) Dollars (the “**Earnest Money Deposit**”) to be deposited by Purchaser in immediately available funds within five (5) business days after full execution of the Purchase Agreement by Purchaser and Seller, in a mutually acceptable interest-bearing escrow account established with First American Title (“**Escrow Agent**”), as escrow agent, pursuant to a separate escrow agreement entered into between Purchaser, Seller, and Escrow Agent. All interest earned on the Earnest Money Deposit shall constitute part of the Earnest Money Deposit and shall be payable to the party entitled to receive it under the Purchase Agreement. If the closing shall occur, the Earnest Money Deposit shall be credited to the purchase price. If Purchaser terminates the Purchase Agreement pursuant to a right to do so set forth in the Purchase Agreement, the Earnest Money Deposit shall be refundable to Purchaser except in the event of Purchaser's default or breach, in which event the Earnest Money Deposit, plus all interest earned thereon, shall be paid to Seller as liquidated damages, as Seller's sole remedy.

5. No Financing Contingency. Purchaser is prepared to pay all cash for the acquisition of the Premises and its obligation to purchase the Premises shall not be conditioned in any way on Purchaser's ability to obtain financing, whether first mortgage or otherwise.

6. Closing Date. The closing of the transaction shall occur as soon as possible following the expiration of the Inspection Period (hereinafter defined) (the “**Closing Date**”). Each party shall have the right to adjourn the closing date for a period of fifteen (15) days for any reason or no reason. The closing shall be effected through a customary escrow closing. Time shall be of the essence with respect to each party's obligations under the Purchase Agreement.

7. Closing Costs. Purchaser shall pay the cost of the survey, title commitment, title policy, and other title related costs, as well as any and all costs related to its due diligence investigation. Seller and Purchaser shall each pay an equal share of all clerk's and indexing fees on the deed, and all costs of recording the deed, and any other fees and costs as is customary in transactions of this size and type in the City and Borough of Juneau, Alaska. Each party shall pay its own legal fees and one-half of any escrow or closing fee.

8. Credits and Prorations. The Purchase Agreement shall contain customary prorations with respect to any and all items customarily prorated between the parties in transactions of this size and type in City and Borough of Juneau, Alaska.

9. Due Diligence Investigation. From and after the effective date of the fully-executed Purchase Agreement, and continuing for a period of forty-five (45) days thereafter (the “**Inspection Period**”), Seller shall allow Purchaser to have access to the Property to investigate and inspect (at Purchaser's sole cost and expense) the legal, physical and economic condition of the Property, and the suitability of the Property for Purchaser's intended use. If Purchaser determines, in its sole and absolute discretion, that it is unsatisfied with any aspect of the Property prior to the expiration of the Inspection Period, then Purchaser shall have the right to terminate the Purchase Agreement by written notice to Seller given prior to the expiration of the Inspection Period, in which event the Earnest Money Deposit shall be returned to Purchaser.

No later than ten (10) business days following the effective date of the fully-executed Purchase Agreement, Seller shall provide to Purchaser for its review, all information and documentation regarding the Property which is in the possession or control of Seller, its affiliates, and/or property manager (the “**Due Diligence Materials**”). Seller shall represent in the Purchase Agreement that to Seller's actual

knowledge, the Due Diligence Materials constitute all of the information and documentation relating to the Property that is in Seller's possession or control.

Purchaser understands and agrees that any on-site inspections of the Property shall occur at reasonable times agreed on by Seller and Purchaser after reasonable prior written notice from Purchaser to Seller (which shall, in all cases, be at least 24 hours in advance) and shall be conducted so as not to unreasonably interfere with the use and operation of the Property and rights of Seller and its tenants, subtenants, licensees, or other users and occupants of the Property. Purchaser agrees not to contact, or have discussions, whether directly or indirectly, with any tenants, subtenants, licensees, or other users or occupants of the Premises without the prior written consent of Seller in each instance, which consent shall not be unreasonably withheld, conditioned, or delayed. Seller shall have the right to accompany Purchaser or its agents during any such tests and inspections. If Purchaser desires to do any invasive testing at the Property, then Purchaser shall do so only after reasonable prior written notice to Seller (which shall, notwithstanding anything to the contrary contained above, be at least three (3) business days in advance) and obtaining Seller's prior written consent thereto, which consent shall not be unreasonably withheld, conditioned, or delayed, and which consent, if given, may be subject to any terms and conditions imposed by Seller in its reasonable discretion, including, without limitation, the prompt restoration of the Property to substantially the same condition as existed prior to any such inspections or tests, at Purchaser's sole cost and expense.

10. Representations and Warranties. The Purchase Agreement shall contain representations and warranties from Seller with respect to the physical and economic condition of the Property, title to the Property, the compliance of the Property with laws and other applicable requirements, the leases and leasing activities affecting the Property, and any other matters reasonably requested by Purchaser. Seller's representations and warranties shall survive for a period of three hundred sixty-five (365) days following the Closing Date.

11. Closing Conditions. Seller shall deliver a tenant termination agreement ("**Tenant Termination Agreement**") each conforming in all material respects to the form attached to the Purchase Agreement, from every tenant at the Premises. The Tenant Termination Agreement shall include terms and conditions that the tenant's lease will terminate, and tenant will vacate the Premises on or before May 1, 2025. Tenant shall surrender and yield the Premises in good order and repair, ordinary wear and tear excepted. Any improvements constructed or installed on the Premises by tenants without Seller's consent shall be removed at the cost and expense of tenants on demand from Seller, and tenants will do such repairs or decorating as is necessary to restore the Premises to its condition prior to construction or installation of any such improvements not consented to by Seller. If Seller is unable to provide a Tenant Termination Agreement, with terms and conditions similar to those described in this Paragraph 11, from every tenant of the Premises on or prior to the Closing Date, Purchaser shall have the right to terminate the Purchase Agreement by written notice to Seller given prior to the Closing Date, in which event the Earnest Money Deposit shall be returned to Purchaser. Any additional required terminations, consents and/or estoppels will be set forth in the Purchase Agreement. The Purchase Agreement will also contain other reasonable and customary closing conditions and other contingencies as agreed to by the parties.

12. Termination. This letter of intent shall automatically terminate and be of no further force and effect upon the earlier of: (a) the mutual execution of the Purchase Agreement by Purchaser and Seller; (b) the date of the written notice given by either Purchaser or Seller terminating this letter of intent to the other; and (c) close of business (5:00 p.m.) on March 31, 2025. Notwithstanding anything to the contrary

contained in the previous sentence, Paragraph 14 shall expressly survive the termination of this letter of intent.

13. Exclusive Negotiations. Seller shall not offer the Property for sale to anyone other than Purchaser or enter into or continue any discussions with any third-party to acquire the Property until such time as this letter of intent has terminated in accordance with the provisions of Paragraph 12 herein.

14. Non-Binding. This letter of intent is a non-binding proposal and may be terminated without penalty at any time and for whatever reason by either party in accordance with the terms of Paragraph 12 herein. This letter of intent should not be considered as a commitment to sell or purchase by either party, as the purchase and sale is expressly conditioned upon the execution and delivery of a mutually satisfactory Purchase Agreement.

By signing this letter of intent, the parties agree that unless and until a definitive Purchase Agreement is prepared and executed by all parties involved, there is no commitment on Seller's part to convey the Property nor on Purchaser's part to pay any consideration for the conveyance of the Property. Notwithstanding the foregoing, the parties acknowledge and agree that the provisions of Paragraphs 13, together with this paragraph, are binding and enforceable against the parties. Except as specifically set forth in this Paragraph 14, nothing contained in this letter of intent shall be deemed or construed to constitute a binding agreement between the parties.

If the foregoing terms and conditions are acceptable to you, please execute and return to us the executed letter. This letter may be signed in one or more counterparts, each of which may be an original or copy and all of which when taken together shall constitute one and the same instrument.

Sincerely,

CITY AND BOROUGH OF JUNEAU, an Alaska organized borough

Katie Koester, City Manager

Date: February __, 2025

AGREED TO AND ACCEPTED this ____ day
of _____, 2025:

Alaska Permanent Fund Corporation, an Alaska corporation

By: _____

Its: _____

cc:

Scott Cronister – scronister@lbrealty.com

Lucy Garcia – lgarcia@lbrealty.com

Jim Sheehan – jsheehan@faulknerbanfield.com