

CITY AND BOROUGH OF JUNEAU

Lessor

MOUNT ROBERTS DEVELOPMENT CORPORATION

Lessee

LAND LEASE

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THIS INDENTURE made this ____ day of January, 1995, by and between the CITY AND BOROUGH OF JUNEAU, ALASKA, a municipal corporation, whose address is 155 South Seward Street, Juneau, Alaska 99801 (hereinafter called "Lessor"), and Mount Roberts Development Corporation, an Alaska corporation, whose address is 369 South Franklin Street, Suite 207, Juneau, Alaska 99801 (hereinafter called "Lessee").

WITNESSETH:

1. Authority: This Lease is entered into pursuant to the authority of the City and Borough of Juneau as directed in Ordinances 94-39 and 94-42.

2. Leased Premises and Air Rights Easement: (a) Lessor does hereby lease and Lessee does hereby take from Lessor, the premises described as follows and as further shown in Exhibit A attached hereto and incorporated herein (hereinafter called "Leased Premises"), situated in the Juneau Recording District, State of Alaska:

Portions of the following lots in an area not to exceed 10,000 Square Feet as shown on Exhibit A:

Lot 13B, Tidelands Addition to the City of Juneau according to Plat 355, Juneau Recording District, First Judicial District, State of Alaska

That portion of Lot 16 lying Northwesterly of Dockside Subdivision, Block 83, Tidelands Addition to the City of Juneau according to Plat 355, Juneau Recording District, First Judicial District, State of Alaska

That portion of Lot 17 lying Northwesterly of Dockside Subdivision, Block 83, Tidelands Addition to the City of Juneau according to Plat 355, Juneau Recording District, First Judicial District, State of Alaska

Lot 1 Dockside Subdivision according to Plat 89-9, Juneau Recording District, First Judicial District, State of Alaska

Lot 2A, Subdivision of Lot 2, Dockside Subdivision according to Plat 91-71, Juneau Recording District, First Judicial District, State of Alaska

(b) Lessor does hereby lease and Lessee does hereby take from Lessor an easement one hundred feet in width (fifty feet on each side of the tramway centerline) for the surveying, engineering, design, planning, development, construction, maintenance, and operation of a tramway, including without limitation, cables, tramway fixtures, cars, and appurtenant structures and equipment. The easement shall burden all lands owned by Lessor, or in which Lessor has an interest of any kind, where said lands are to be traversed by Lessee's tramway, including without limitation the premises described as follows and as generally shown in Exhibit B attached hereto and incorporated herein (hereinafter called "Air Rights Easement"), situated in the Juneau Recording District, State of Alaska:

Portions of the following lots as shown on Exhibit B:

Lot 13B, Tidelands Addition to the City of Juneau according to Plat 355, Juneau Recording District, First Judicial District, State of Alaska

That portion of Lot 16 lying Northwesterly of Dockside Subdivision, Block 83, Tidelands Addition to the City of Juneau according to Plat 355, Juneau Recording District, First Judicial District, State of Alaska

That portion of Lot 17 lying Northwesterly of Dockside Subdivision, Block 83, Tidelands Addition to the City of Juneau according to Plat 355, Juneau Recording District, First Judicial District, State of Alaska

Lot 1 Dockside Subdivision according to Plat 89-9, Juneau Recording District, First Judicial District, State of Alaska

Lot 2A, Subdivision of Lot 2, Dockside Subdivision according to Plat 91-71, Juneau Recording District, First Judicial District, State of Alaska

Lot 1, Block 6, U.S. Survey 7A, amended Addition to Juneau, Juneau Recording District, First Judicial District, State of Alaska

Lot 2, Block 6, U.S. Survey 7A, amended Addition to Juneau, Juneau Recording District, First Judicial District, State of Alaska

Roberts Street

Lessor does not warrant that Lessor has any right, title or other interest in the following lands, but to the extent Lessor in fact has any such right, title or other interest, Lessor leases to Lessee the described Air Rights Easements where said lands are within 50 feet of the tramway centerline as generally shown in Exhibit B:

South Franklin Street

G Millsite, according to U.S. Mineral Survey 982B, Juneau Recording District, First Judicial District, State of Alaska, excepting that portion of G Millsite heretofore conveyed to Alaska Tram Corporation by Warranty Deed recorded December 20, 1976, in Book 128, page 254, Juneau Recording District, First Judicial District, State of Alaska.

F Millsite, according to U.S. Mineral Survey 982B, Juneau Recording District, First Judicial District, State of Alaska

B Millsite, according to U.S. Mineral Survey 982B, Juneau Recording District, First Judicial District, State of Alaska

P Millsite, according to U.S. Mineral Survey 982B, Juneau Recording District, First Judicial District, State of Alaska

H Millsite, according to U.S. Mineral Survey 982B, Juneau Recording District, First Judicial District, State of Alaska

X Millsite, according to U.S. Mineral Survey 982B, Juneau Recording District, First Judicial District, State of Alaska

Bear No. 7 in U.S. Mineral Survey 1027A, Juneau Recording District, First Judicial District, State of Alaska

"It" Mining Claim, according to U.S. Mineral Survey 1027A, Juneau Recording District, First Judicial District, State of Alaska

Additional parcels along the tramway line as shown in Exhibit B hereto which are currently held by the State of Alaska, Department of Natural Resources

(c) Lessee shall cause the Leased Premises and the Air Rights Easements to be surveyed by a registered land surveyor and a copy of the survey delivered to Lessor within 160 days of the Permit Date, as defined in Section 4 herein, but in no event later than the commencement of construction. Upon completion of the survey, Lessor and Lessee shall prepare a supplemental memorandum of lease setting forth the description of the Leased Premises and the Air Rights Easements as surveyed. Said supplemental memorandum of lease shall be recorded in the Juneau Recording District.

3. Use of Premises: (a) The Lessee agrees to use the Leased Premises for the following purposes:

The surveying, engineering, design, planning, development, construction, operation and maintenance of an aerial tramway base terminal and associated structures and uses. As used herein, "associated structures and uses" means:

1. a waiting room
2. a ticket office
3. public restrooms; Lessee shall provide public restrooms as specified by the Planning Commission
4. an area for the exhibition of tram models, photographs, and similar historical and explanatory materials
5. administrative space

The Leased Premises shall be used only for purposes within the scope of the application and the terms of the Lease, and in conformity with the provisions of the City and Borough Code, and applicable state and federal laws and regulations. Use or development for other than the allowed uses shall constitute a violation of the Lease and subject the Lease to cancellation at any time.

(b) The Lessee agrees to install improvements according to the following conditions:

(1) Tramway Plans and Specifications. All plans for uphill equipment and systems shall be properly certified as being in accordance with the American National Standards Institute's Safety Requirements for Aerial and Surface Passenger Tramways and Surface Tows (B77.1) A complete set of drawings, specifications, and records for each lift shall be maintained by the Lessee and made available to Lessor upon request. These documents shall be retained by Lessee for a period of three years after removal of the system from the Leased Premises.

(2) Plan Preparation and Certification. All plans for development, layout, construction, reconstruction or alteration of improvements on the site, as well as revisions of such plans, must be prepared by a licensed engineer, architect, or other qualified individual acceptable to Lessor's authorized officer. Design and construction specifications of buildings must be prepared and certified by an architect licensed in the State of Alaska. Plans and specifications for tramway mechanical and cable systems must be prepared and certified by a mechanical engineer licensed in the State of Alaska. Such plans must be accepted by Lessor's authorized officer before the commencement of any work. Lessee may be required to furnish as-built plans, maps, or surveys upon the completion of construction.

(3) Preconstruction and Construction Supervision. Preconstruction and construction activities must be personally supervised by a qualified representative of Lessee, approved by Lessor's authorized officer. In the event that the Lessee's designated representative is unavailable, Lessee must either immediately designate a similarly qualified individual (and immediately seek approval by Lessor's authorized officer for the change) or all work must stop. In addition, Lessee must provide for all major construction activities to be supervised by a qualified engineer or architect licensed in the State of Alaska who is experienced in commercial construction. Construction of aerial passenger tramways must be supervised by an engineer qualified and experienced in this type of construction. Construction activities within the Lease site shall be minimized throughout the period of May through September to prevent disruption of tourist use of the cruise ship terminal. A detailed construction mobilization and staging plan shall be submitted to Lessor for approval.

(4) Certificate of Completion. Before new improvements are open for public use, Lessee shall submit to Lessor's authorized representative a certificate of inspection from an engineer registered in the State of Alaska, certifying that the improvements have been constructed in accordance with the approved plans and that any deficiencies noted in the inspection have been corrected.

(c) The Lessee shall conduct its operations in accordance with the following:

(1) Conditions of Operations. Lessee shall maintain its facilities, improvements and operations on the Leasehold Lands to standards of repair, orderliness, neatness, sanitation, and safety generally applicable to general industry standards.

(2) Operation of Leasehold Lands.

A. A qualified representative(s) of Lessee, approved in advance by Lessor's authorized officer, shall conduct and manage all operations, services and facilities authorized by the Lease.

B. The designated, approved representative(s) of Lessee shall be present at the resort, on or adjacent to the Leased Lands, at all times when the facilities authorized by the Lease are open to the public.

C. The tramway shall be operated and maintained in accordance with the American National Standards Institute's Safety Requirements for Aerial and Surface Passenger Tramways and Surface Tows (B77.1)

(3) Lift Inspections. Lessee shall have all passenger tramways inspected by a qualified mechanical engineer or tramway specialist registered in the State of Alaska. Inspections shall be made in accordance with the American National Standards Institute's Safety Requirements for Aerial and Surface Passenger Tramways and Surface Tows (B77.1) A certificate of inspection, signed by an officer of Lessee, attesting to the adequacy and safety of the installations and equipment for public use, shall be received by Lessor prior to public operation. Lessee shall make the certificate available to Lessor upon request, and shall post the certificate in a conspicuous location available to the general public.

(4) Damage to or Destruction of Improvements. In the event that any buildings, facilities, or improvements constructed or managed by Lessee located on the Leasehold Lands are declared unsafe or unfit for use or occupancy, Lessee shall immediately commence and diligently pursue to completion the necessary repair, replacement or reconstruction.

(5) Operating Plan. Lessee or its designated representative shall prepare and annually revise by September 30 of each year an Operating Plan. The Operating Plan shall be prepared in consultation with the Lessor's authorized officer and cover winter and summer operations as appropriate. The provisions of the Operating Plan and the annual revisions submitted by Lessee shall become a part of the Lease. The Operating Plan shall consist of at least the following sections:

- A. First aid.
- B. Communications.
- C. Signs.
- D. General safety and sanitation.
- E. Erosion control.
- F. Accident reporting.
- G. Search and rescue.
- H. Designation of representatives.
- I. Lift system operation.
- J. Public access.
- K. An updated organization chart with names and qualifications of managers.
- L. Employee safety plan.

(6) Refuse Disposal. Lessee shall dispose of solid waste resulting from activities on the Leasehold Lands, including materials, garbage, rubbish of all lands, by hauling the waste to an approved transfer site or sanitary landfill disposal area.

(7) Temporary Suspension. Lessor reserves the right pursuant to law to suspend Lessee's operations, in whole or in part, in response to an immediate and direct threat to public health on municipal lands. Any such suspension shall occur only after consultation with Lessee and, if within the reasonable control of Lessee, after Lessee has been given an opportunity to resolve the threat in a timely manner and thereby prevent suspension of operations.

4. Term: (a) The base term of this Lease, including the air rights easement granted herein, shall be for a period of thirty-five years commencing on the effective date of this Lease, unless sooner terminated as provided herein.

(b) Lessee shall have the right to renew this Lease for an additional thirty-five years commencing at the end of the Base Term except the Lessor may deny renewal for good cause shown. "Good cause" must relate to acts and omissions under this Lease.

(c) The "Permit Date" of this Lease shall be the date upon which Lessee receives all applicable government permits and licenses necessary to commence construction of the base terminal of the tramway, or January 1, 1996, whichever occurs first.

5. Base Rent: (a) The Base Rent (including payment for the Air Rights Easement) shall be ten percent of the appraised market value of the Leased Premises per year or \$30.00 per square foot of the Leased Premises, whichever is greater. For the first three years of the Lease term and until adjusted as provided herein, the rent shall be \$30,000.00 per year.

(b) Base Rent shall accrue commencing on the execution date, but shall not be payable until 18 months after the Permit Date or the last day of the month in which the tramway is operating and open to the public, whichever is earlier. At the end of the 18th month or the conclusion of the month during which the tramway becomes operational and opens to the public, as applicable, Lessee shall pay all accrued unpaid Base Rent, together with the Base Rent for the remainder of the current quarter.

(c) After the first Base Rent payment is made as provided in this section, Base Rent shall be paid quarterly, due in advance on the first day of the month of each quarter, without the necessity of any billing by Lessor.

(d) The Leased Premises shall be appraised for the determination of Base Rent of the Lease as follows:

(1) The agreed upon appraised market value of the Leased Premises for the first three years after the Permit Date shall be deemed to be \$30.00 per square foot.

(2) An appraisal shall be conducted every three years thereafter. The new Base Rent shall be effective commencing on the first day of the third anniversary of the Permit Date of the Lease, and shall be reset effective on the first day of each successive third year anniversary of the Lease.

(3) The basis of appraisal shall be the fair market value of the unimproved land of the Leased Premises including the Air Rights Easements, at its highest and best use. The appraisal shall not consider any buildings or structural improvements above or below ground, landscaping or paving. The appraisal shall consider the Leased Premises as unimproved land.

(4) A certified appraiser selected and compensated by the Assessor of the City and Borough of Juneau shall conduct each initial appraisal. If Lessee concurs in the result of the appraisal by the CBJ Assessor, the appraisal shall establish the fair market value for calculating the Base Rent. If Lessee does not concur in the result of the appraisal by the CBJ Assessor, Lessee shall hire an independent certified appraiser, and present the results to Lessor. If Lessor concurs in the results of the independent appraisal, the appraisal shall establish the fair market value for calculating the Base Rent. If Lessor does not concur, Lessor and Lessee shall negotiate in good faith to reach a fair market value between the results of the initial and independent appraisals. If Lessor and Lessee cannot agree, Lessor and Lessee shall engage and share in the cost of a third independent certified appraiser (acceptable to both parties) to determine the fair market value of the Leased Premises. The third appraiser shall be instructed to select either the initial appraisal or the independent appraisal as the one which most closely reflects the fair market value of the Leased Premises. The fair market value selected by the third appraiser shall be final, and shall establish the fair market value for calculating the Base Rent. In this section, "certified" means a regular member of the Society of Real Estate Appraisers or the American Institute of Real Estate Appraisers (or the successor body of either group) who has been properly designated MAI, SREA or SRPA, or any future similar designation which denotes proficiency in the appraisal of commercial real property.

6. Royalty Rent: (a) In addition to the Base Rent, Lessee shall pay to Lessor a Royalty Rent upon all gross revenues generated from all ticket sales and other sales on the Leased Premises and actually tendered to Lessee (hereinafter "Leasehold Revenues") according to the following schedule.

However, regardless of the Leasehold Revenues, in no event shall the Royalty Rent be less than \$60,000.00 annually.

Leasehold Revenues	Royalty Rate
\$0 to \$3 million	1%
\$3 million to \$5 million	3%
\$5 million to \$8 million	4%
Over \$8 million	5%

(b) Lessee shall pay the Royalty Rent to Lessee on an annual basis no later than January 31 of the year following the calendar year for which Royalty Rent is due.

(c) Royalty Rent shall not accrue until the tramway is operating and open for business to the public.

(d) Lessor shall have the right at all reasonable times during the tenancy of the Lease, upon ten day's advance written notice, to inspect, review and copy any records of Lessee that are necessary to verify Lessee's compliance with its compensation obligations under the Lease.

7. Holding Over: If Lessee holds over beyond the expiration of the base term and any renewal, such holding over shall constitute a tenancy from month-to-month only.

8. Interest on Late Payments: (a) Should any installment of rent or other charges provided for under the terms of this Lease not be paid when due, the same shall bear interest at the rate of twelve percent per year.

(b) Lessee hereby covenants and agrees to pay the rent when due and understands that payment of rent is a condition precedent to the continuance of this Lease.

9. Taxes, Assessments, and Liens: (a) During the term of this Lease, Lessee shall pay, in addition to the rents, assessments, rates, charges, and utility bills which Lessee may become liable to pay including any tax on Leaseholds imposed generally on lessees, and Lessee shall promptly pay or otherwise cause to be discharged, any claim resulting or likely to result in a lien, other than mortgage lien, against the Leased Premises or the improvements placed thereon.

(b) Lessee may, at any time or from time to time during the term of this Lease or any renewal thereof, encumber by deed of trust or mortgage or other security instrument, by way of assignment

or otherwise, Lessee's interest under this Lease and the Leasehold interest and easement hereby created for any purpose, without the consent of Lessor.

10. Assignments: Lessee may assign the Leased Premises and Air Rights Easement, provided the proposed assignment shall be first approved by Lessor in writing, which approval shall not unreasonably be withheld. The assignee shall be subject to all of the provisions of the Lease. All terms, conditions, and covenants of the underlying Lease which may be made applicable to the assignment are hereby incorporated into the assignment.

11. Warranty of Title; Quiet Enjoyment; No Warranty As To Fitness: (a) Lessor hereby represents and warrants that Lessor is the owner in fee simple of the Leased Premises, and of the real property subject to the Air Rights Easements (excepting those parcels for which no warranty is provided as described in Section 2 of this Lease)

(b) Lessee, upon payment of the rent and all other charges provided for in this Lease and upon observing and keeping all of the covenants, agreements, and provisions of this Lease on its part to be observed and kept, shall lawfully and quietly hold, occupy, and enjoy the Leased Premises and the Air Rights Easements during the term of this Lease without hindrance or molestation.

(c) The Lessor does not warrant by its classification or leasing of the Leased Premises or the Air Rights Easements that the land is suited for the use authorized under the classification or lease and no guaranty is given or implied that it shall be profitable to employ the Leased Premises and Air Rights Easements to said use.

12. Protection of Prior Easements: Lessee shall place no building or structure over any portion of the Leased Premises which shall prevent the use of:

(a) the easements previously granted by instrument recorded May 12, 1989, in Book 316, page 642, Juneau Recording District, First Judicial District, State of Alaska to Alaska Marine Lines, Inc., for access, ingress and egress, or

(b) the use agreement dated April 15, 1963, between the City and Borough of Juneau and the State of Alaska.

13. Encumbrance of Parcel: Lessee, during the term of this Lease, shall not encumber or cloud Lessor's title to the Leased Premises, the real property subject to the Air Rights Easement, or any portion thereof, nor enter into any lease, easement, or other obligation of Lessor's title without the prior written consent of Lessor; and any such act or omission, without the prior written consent of Lessor, shall be void against Lessor.

14. Valid Existing Rights: This Lease is entered into and made subject to all valid existing rights, including easements, rights-of-way, reservations, or other interests in land in existence, on the date of execution of this Lease.

15. Modification: This Lease may be amended, modified or otherwise changed only by an agreement in writing signed by all parties in interest or their successor in interest.

16. Cancellation: (a) This Lease may be cancelled in whole or in part, at any time, upon mutual written agreement by Lessee and Lessor.

(b) Lessor may cancel the Lease if it is used for any unlawful purpose.

(c) If Lessee shall default in the performance or observance of any of the Lease terms, covenants, or stipulations thereto, or of the regulations now or hereafter in force, or any of the provisions of the City and Borough Code, and should the default continue for 30 calendar days after service of written notice by Lessor without remedy by Lessee of the conditions warranting default, Lessor may subject Lessee to appropriate legal action including, but not limited to, forfeiture of Lease. No improvements may be removed by Lessee or other person during any time Lessee is in default.

(d) Failure to abide by the following timetable shall, in the discretion of Lessor, constitute grounds for cancellation:

(1) Commencement of construction of the base terminal of the tramway within 18 months after the effective date of the Lease.

(2) Completion of the foundation for the base terminal of the tramway within six months after commencement of construction.

(3) Completion of construction of, and issuance of a certificate of occupancy for, the base terminal of the tramway within 24 months after commencement of construction.

(e) Lessee shall not be held responsible, nor shall this Lease be subject to forfeiture or cancellation, for delays in complying with the foregoing schedule where such delays are due to flood, fire, earthquake, tsunami, or other natural catastrophe; strike, lockout, work stoppage; acts of civil or military authorities; war, insurrection, riot or other civil commotion; act of God; or by any other cause which is unavoidable or beyond the reasonable control of Lessee, but not including the unavailability, insufficiency, or delays in receiving financing. If delayed by force majeure, Lessee shall use reasonable diligence to correct the cause of the delay.

17. Bonding of Contractors: Lessee shall require the general contractor(s) performing work on the Leased Premises to be bonded to ensure completion of construction of the base terminal of the tramway.

18. Environmental Matters:

(a) Lessee's Responsibility for Environmental Laws. Lessee shall, at its own expense, comply with all existing and hereafter enacted environmental responsibility laws, hereafter "Environmental Laws". Lessee shall, at its own expense, make all submissions to, provide all information to, and comply with all requirements of the appropriate governmental authority, hereafter "Authority," under the Environmental Laws.

Should the Authority require that a cleanup plan be prepared and that a cleanup be undertaken because of any spills or discharges of or contamination by Hazardous Materials, as hereafter defined, on the Leasehold Lands that occur during the term of the Lease, or arise out of or in connection with Lessee's use or occupancy of the Leasehold Lands, then Lessee shall, at its own expense, prepare and submit the required plans and financial assurances and carry out the approved plans. Lessee's obligations under this section shall arise if there is any event or occurrence on the Leasehold Lands during the term of the Lease or arising out of or in connection with the Lessee's use or occupancy of the Leasehold Lands that requires compliance with the Environmental Laws.

At no expense to Lessor, Lessee shall promptly provide all information requested by Lessor for preparation of affidavits or other documents required by Lessor to determine the applicability of the Environmental Laws to the Lease, and shall sign the affidavits promptly when requested to do so by Lessor.

(b) Indemnification by Lessee. Lessee shall indemnify, defend and hold harmless Lessor from all fines, suits, procedures, claims, liabilities, and actions of any land arising out of or in any way connected with any spills or discharges of or contamination by Hazardous Materials on the Leasehold Lands that occur during the term of the Lease or arise out of or in connection with Lessee's use or occupancy of the Leasehold Lands; and from all fines, suits, procedures, claims, liabilities, and actions of any kind arising out of Lessee's failure to provide all information, make all submissions, and take all steps required by the Authority under the Environmental Laws or any other law concerning any spills or discharges or contamination that occur during the term of the Lease or arise out of or in connection with Lessee's use or occupancy of the Leasehold Lands.

(c) Lessee's Assurances to Lessor. Lessee agrees that it will not discharge or dispose of or suffer the discharge or disposal of any petroleum products, gasoline, hazardous chemicals or Hazardous Materials upon the Leased Lands except when fully in compliance with the Environmental Laws. Lessee agrees that it will not construct any aboveground or underground fuel or chemical tanks without the written consent of Lessor.

In any court action or administrative proceeding it shall be rebuttably presumed that any environmental contamination of the Leasehold Lands (1) has been released on the Leasehold Lands, (2) has resulted from acts or omissions of Lessee or its agents, and (3) has occurred during the term of the Lease. Lessee has the burden of rebutting these presumptions by clear and convincing evidence.

(d) Enforcement Rights of the City and Borough of Juneau. This section of the Lease does not in any way alter the powers and rights of the City and Borough of Juneau, Alaska, or Lessee's duties and liabilities under Title 46 (or its successor) of Alaska Statutes or other state or federal statutes regarding Environmental Laws. For example, notwithstanding the provisions of the Lease, the City and Borough of Juneau, Alaska, shall not be precluded from claiming under any statute that Lessee is strictly liable, jointly and severally, for damages and costs incurred by the City and Borough of Juneau, Alaska, for cleanup of contamination of the Leasehold Lands.

(e) Notice of Environmental Problems. Lessee agrees to immediately notify Lessor if Lessee becomes aware of (1) any Hazardous Material or other environmental problem or liability with respect to the Leasehold Lands or (2) any lien, action, or notice resulting from the claimed or actual violation of Environmental Laws, including but not limited to the generation, recycling, reuse, sale, storage, handling, transport, and disposal of any Hazardous Material.

(f) Lessee's Obligations Unconditional. Lessee's obligations under this section regarding environmental compliance are unconditional and shall not be limited by any nonrecourse or other limitations of liability provided for in the Lease or any document executed in connection with the Lease. The representations and covenants of Lessee set forth in the Lease, including without limitation the indemnity for environmental compliance provided herein, are (1) separate and distinct obligations from Lessee's obligations under the Lease, (2) shall not be discharged or satisfied by lease compensation or other payment under the Lease, and (3) shall continue in effect after any further transfer of the Leasehold Lands.

(g) "Environmental Laws" Defined. For purposes of the Lease, "Environmental Laws" is defined to include, but shall not be limited to, the Comprehensive Response Compensation and Liability Act ("CERCLA"), 42 U.S.C. 9601, et. seq., the Resource Conservation and Recovery Act ("RCRA"), 42 U.S.C. 6901, et. seq., the Federal Water Pollution Control Act, 33 U.S.C. 1251, et. seq., the Clean Air Act, 42 U.S.C. 7401, et. seq. and AS 46.03.710-.850, and any other local, state and federal laws or regulations, whether currently in existence or hereafter enacted, that govern (1) the existence, cleanup or remedy of contamination on property, (2) the protection of the environment from spilled, deposited, or otherwise emplaced contamination, (3) the control of hazardous wastes, or (4) the use, generation, transport, treatment, removal or recovery of Hazardous Material.

(h) "Hazardous Material" Defined. For purposes of the Lease, "Hazardous Material" means any hazardous or toxic substance, material, or waste which is or becomes regulated by the City and Borough of Juneau, Alaska, the State of Alaska, or the United States government. It is any substance

which at any time shall be listed as "hazardous" or "toxic" or in the regulations implementing the CERCLA, RCRA, and AS 46, or which has been or shall be determined at any time by any agency or court to be a hazardous or toxic substance regulated under Environmental Laws. The term "Hazardous Material" shall also include, without limitation, raw materials, building components, the products of any manufacturing or other activities on the Leasehold Lands, wastes, petroleum, oil, and source, special nuclear or byproduct material as defined by the Atomic Energy Act of 1954, as amended (42 U.S.C. 301 1, et. seq., as amended)

(i) Pre-Construction Audits.

(1) Lessee shall engage a qualified contractor to conduct a Phase I environmental audit of the Leased Premises. The Phase I audit shall be performed prior to the effective date of the Lease. The cost of the Phase I audit shall be paid by Lessee. The results of the Phase I audit shall be available to the authorized employees or agents of Lessor and Lessee as designated by the respective party.

(2) In the event the Phase I environmental audit reveals reasonable cause to believe the Leased Premises are contaminated or polluted in such a manner as to require cleanup or remediation under applicable law, Lessee shall engage a qualified contractor to conduct a Phase II environmental audit and evaluation of the Leased Premises prior to the commencement of any construction on the Leased Premises. The cost of the Phase II audit shall be borne solely by Lessee.

(3) In the event the Phase II audit demonstrates contamination or pollution of the Leased Premises in such a manner as to require cleanup or remediation under applicable law, Lessor shall immediately notify the proper governmental authorities, and shall comply with all lawful directions of said authorities. In such event, Lessee shall have the right, in its sole discretion, to terminate the Lease upon 30 days written notice to Lessor.

(j) Termination Audits

(1) One year prior to termination of the Lease, Lessee shall engage and pay for a qualified contractor to conduct a Phase I environmental audit of the Leased Premises. The results of the Phase I audit shall be available to the authorized employees or agents of Lessor and Lessee as designated by the respective party.

(2) In the event the Phase I environmental audit reveals reasonable cause to believe the Leased Premises are contaminated or polluted in such a manner as to require cleanup or remediation under applicable law, Lessee shall engage and pay for a qualified contractor to conduct a Phase II environmental audit and evaluation of the Leased Premises.

(3) In the event the Phase II audit demonstrates contamination or pollution of the Leased Premises in such a manner as to require cleanup or remediation under applicable law, Lessee shall

immediately notify the proper governmental authorities, and shall comply with all lawful directions of said authorities.

(4) As used in this paragraph (j), the terms "Phase I Audit" and "Phase II Audit" shall be construed according to the standards applicable at the time the audit or audits are conducted.

19. Re-entry: These entire agreements are upon the condition that if Lessee shall be in arrears in a payment of rent for a period of 30 days, or if Lessee abandons Leased Premises; or if Lessee shall fail or neglect to do or perform or observe any of the terms, agreements, covenants, or conditions contained herein on its part to be kept and performed and such failure or neglect shall continue for a period of not less than 30 days after Lessor has notified Lessee in writing of Lessee's default hereunder and Lessee has failed to correct such faults within 30 days, or if Lessee shall be declared to be bankrupt or insolvent according to law, or if any assignment of its property shall be made for the benefit of creditors, then, in any of the said cases or events, Lessor may, at its option, immediately or at any time thereafter, without demand or notice, enter into and upon the Leased Premises and real property subject to the Air Rights Easement, or any part thereof, and in the name of the whole and repossess the same and expel said Lessee and those claiming by, through, or under Lessee, remove Lessee's effects and improvements (if any) forcibly, if necessary, without being deemed guilty of trespass and without prejudice to any remedy which otherwise might be used for arrears of rent or breach of covenant or condition. On the re-entry aforesaid, this Lease shall terminate.

20. Landlord's Lien: In addition to its other remedies, Lessor shall have a landlord's lien upon all property on the Leased Premises for any rents in arrears, and Lessor shall have a right to the common law, nonjudicial remedy of distress for rents in the event of any arrearage.

21. Waste and Injury to Leased Premises: Lessee shall be liable to and promptly pay Lessor for any waste or injury to the Leased Premises or real property subject to the Air Rights Easement. Lessee shall take all prudent precautions to prevent or suppress pollution of the ground surface, water, air, or land. If Lessee commits waste, or trespass or injury upon Leased Premises, Lessee, in addition to being civilly liable for any damages caused, shall be criminally liable as provided by law.

22. Rights of Mortgagee or Lienholder: (a) Any lender on the security of the leasehold estate, or successor or assign of such lender, shall have the following rights at any time during the Lease term or any renewal thereof:

(1) To do any act or thing required of Lessee hereunder, and all such acts or things done and performed shall be as effective to prevent a forfeiture of Lessee's rights hereunder or cancellation of this Lease as if done by Lessee;

(2) To realize on the security afforded by the leasehold estate by exercising foreclosure proceedings or power of sale or other remedy afforded in law or in equity or by the security

documents or by acceptance of a grant, assignment, or other conveyance in lieu of foreclosure or other such remedy, and to transfer, convey or assign the title of Lessee to the leasehold estate and easement created hereby to any purchaser at any such foreclosure sale, and/or to acquire and succeed to the interest of Lessee hereunder by virtue of any such foreclosure sale or other such transfer.

(b) Notwithstanding any other provision of this Lease, the rights of Lessor in the event of default of Lessee may not be exercised until written notice of such default has been given by certified or registered mail, return receipt requested, to any lender (from whom a written notice containing its name and address has been received by Lessor from Lessee) or to the person or firm designated by any such lender to accept such notices pursuant to written notice by such lender to Lessor. Such lender shall have the right to cure any such default within ten days of receipt of such notice by such lender or said person or firm with respect to any default that can be cured by the payment of money, or to cure any other default by taking reasonable steps to commence the remedy of such default within 30 days of receipt of notice thereof, and diligently continuing the curing of the same to completion. Lessor agrees any such curative action by lender shall be tantamount to curative action by Lessee.

(c) No such lender or successor or assign of such lender shall be liable to Lessor as an assignee of this Lease unless and until such time as such lender, its successors or assigns, shall acquire the rights of Lessee hereunder through foreclosure or other appropriate proceedings in the nature thereof, or as a result of any other action or remedy provided for by such mortgage or deed of trust or other security instrument, or which may otherwise be provided by law, or through grant, assignment or other conveyance in lieu of any of the foregoing. The liability of such lender or successor or assign of such lender as an assignee shall be confined solely to the period or duration of possession or ownership of such lender or successor or assign of such lender of the Leased Premises and Air Rights Easements as lessee hereunder.

(d) If the leasehold estate or any interest or part thereof and the fee of any of the Leased Premises or real property subject to the Air Rights Easements shall become vested in the same person, firm, corporation, or other entity other than Lessor, there shall be no merger of the leasehold estate and the fee unless and until any lender shall have consented thereto in writing.

(e) In order to aid Lessee in financing improvements to be situated on the Leased Premises and by use of the Air Rights Easements, Lessor agrees to amend this Lease as shall be reasonably necessary to satisfy the lender's reasonable security interest requirements, provided such amendment shall not decrease significantly any of Lessee's obligations or Lessor's rights under this Lease. Such amendment may in Lessor's discretion apply only to the portion of the Leased Premises or the real property subject to the Air Rights Easements which are, or are proposed to be, subject to the proposed security interest and only for the duration of the security interest.

(f) If by reason of any default of Lessee not cured within the curative periods specified hereunder, either this Lease or any renewal thereof is terminated or not renewed at the election of

Lessor prior to the stated expiration, Lessor will enter into a new lease with the lender for the remainder of the base term and renewal term, effective as of the date of such termination, at the rent and on the terms contained herein, subject to the following conditions:

(1) Such lender shall make written request to Lessor for such new lease within 30 days after the date of such termination, and such written request shall be accompanied by a payment to Lessor of all sums then due to Lessor under this Lease;

(2) Such lender shall pay to Lessor at the time for execution and delivery of such new lease any and all expenses reasonably incurred because of the default of Lessee, including legal and attorney's fees; and

(3) Such lender shall perform all other conditions required to be performed by Lessee to the extent that Lessee shall have failed to perform such conditions, or shall take appropriate steps to commence curing and be pursuing the same with diligence and continuity.

(g) Within a reasonable time, Lessee shall notify Lessor of the execution and delivery of any and all deeds of trust, mortgages, or other security instruments entered into by Lessee and affecting the leasehold interest, and furnish Lessor with a true and correct copy thereof.

(h) During the term of this Lease, Lessor shall not encumber any part or all of the Leased Premises (except by way of the sale of municipal bonds generally secured by the full faith and credit of the City and Borough of Juneau or the revenues to be received by Lessor pursuant to this Lease) without the prior written consent of Lessee.

23. Re-Lease: In the event that this Lease should be terminated as herein provided, or by summary proceedings, or otherwise, Lessor may offer the Leased Premises for lease or other appropriate disposal pursuant to the provisions of the City and Borough Code.

24. Forfeiture of Rental: In the event that this Lease should be terminated because of any breach by Lessee, as herein provided, the rental payment last made by Lessee shall be forfeited and retained by the Lessor as partial or total damages for the breach.

25. Written Waiver: The receipt of rent by Lessor with knowledge of any breach of the Lease by Lessee or of any default on the part of Lessee in observance or performance of any of the conditions or covenants of the Lease, shall not be deemed to be a waiver of any provision of the Lease. No failure on the part of Lessor to enforce any covenant or provision herein contained, nor any waiver of any right thereunder by Lessor unless in writing, shall discharge or invalidate such covenants or provisions, or affect the right of Lessor to enforce the same in the event of any subsequent breach or default. The receipt, by Lessor, of any rent or other sum of money after the termination, in any manner, of the term demised, or after the giving by Lessor of any notice thereunder to effect such termination, shall not reinstate, continue, or extend the resultant term

therein demised, or destroy, or in any manner impair the efficacy of such notice of termination as may have been given thereunder by Lessor to Lessee prior to the receipt of any such sum of money or other consideration, unless so agreed to in writing and signed by Lessor.

26. Expiration of Lease: Unless the Lease is renewed or sooner terminated as provided herein, Lessee shall peaceably and quietly leave, surrender, and yield up unto Lessor all of the Leased Premises and the real property subject to the Air Rights Easements on the last day of the term of the Lease.

27. Removal or Reversion of Improvements upon Termination of Lease:

(a) Surrender of Leasehold. Upon the expiration, termination or cancellation of the Lease, Lessee shall leave and deliver up all of the Leasehold Lands in good, sanitary and marketable condition, order and repair.

(b) Disposition of Improvements and Chattels After Termination. At Lessor's option, improvements not approved by Lessor shall be removed and the site restored to its original condition at Lessee's sole expense, or such improvements shall be forfeited to Lessor.

(c) Prior to the Permit Date of the Lease, Lessee shall file with Lessor a reclamation plan for the Leasehold Lands, which must be approved in writing by Lessor's authorized officer. Any reclamation plan approved pursuant to a conditional use permit issued by the Community Development Department of the City and Borough of Juneau shall be sufficient for purposes of this paragraph.

A bond, letter of credit, or other security approved as to form by the Lessor's Attorney in the amount of the total cost of implementing the reclamation plan must be posted with Lessor when Lessee receives written approval of the reclamation plan. The bond will be used in the event Lessee fails to leave the site in a safe and clean condition when, and if, the Leasehold is surrendered.

The reclamation plan must include a description of the methods and techniques which Lessee will use to rehabilitate all sites affected by construction. Under the Lease, Lessee retains all ownership rights to site improvements. In the plan, Lessee shall describe its intention to remove, rehabilitate or abandon each such improvement. The plan must also include a schedule which sets forth in detail the steps required for surface rehabilitation, and a specific timeline showing when Lessee will accomplish each step.

28. Rental for Improvements or Chattels Not Removed: Any improvements or chattels, belonging to Lessee or placed on the Leased Premises during Lessee's tenure with or without permission and remaining upon the premises after the termination date of the Lease shall entitle the Lessor to charge a reasonable rent therefor.

29. State Discrimination Laws: Lessee agrees, in using and operating the Leased Premises, to comply with applicable sections of Alaska statutes prohibiting discrimination, particularly AS 18.80.220 (discrimination in employment) and AS 18.80.230 (discrimination in providing public accommodations or services). In the event of Lessee's failure to comply with any of the above non-discrimination covenants, Lessor shall have the right to terminate the Lease and to re-enter and repossess the Leased Premises and hold the same as if the Lease had never been made or issued.

30. Compliance with Regulations and Code: Lessee shall comply with the Code of the City and Borough of Juneau and any regulations issued pursuant thereto, and with all state and federal regulations, as may affect the activity upon or associated with the Leased Premises; and Lessee's failure to do so shall be considered a breach of this Lease agreement. A reference to an ordinance in this Lease or any amendment to this Lease includes any changes in that ordinance or regulation whether by amendment, repeal and replacement, or other means. This Lease does not limit the power of the City and Borough of Juneau, Alaska, to enact and enforce legislation or to promulgate and enforce regulations affecting, directly or indirectly, the activities of the Lessee or its agents in connection with this Lease or the value of the interest held under this Lease. In case of conflicting provisions, ordinances and regulations take precedence over this Lease. Lessor assumes no responsibility for enforcing laws, regulations, ordinances and the like which are under the jurisdiction of other governmental bodies.

31. Inspection: Lessee shall allow an authorized representative of Lessor to enter the Leased Premises for inspection at any reasonable time.

32. Unsafe Use: Lessee shall not do anything in or upon the Leased Premises, nor bring or keep anything therein, which will unreasonably increase or tend to increase the risk of fire or cause a safety hazard to persons in any way which violates or causes violation of any applicable health, fire, environmental or other regulation by any level of government.

33. Parking and Rights-of-Way: (a) Lessee shall provide off-site parking for its employees in an amount to be determined by the City and Borough Planning Commission as part of the conditional use permit issued for the tramway project.

(b) Lessor expressly reserves the right to grant easements or rights-of-way across the Leased Premises if it is determined in the best interest of Lessor to do so. Lessor agrees not to grant any easement or right-of-way which will interfere with Lessee's use of the Leased Premises or Air Rights Easements. Annual rentals may be adjusted to compensate Lessee for loss of use of portions of the Leased Premises included within said easements or rights-of-way.

34. Liabilities, Indemnity and Insurance. (a) Indemnity. Lessee shall indemnify, defend and hold Lessor harmless from and against all claims, demands, judgments, damages, liabilities, penalties and costs, including attorney's fees, for loss or damage, including but not limited to property damage, personal injury, wrongful death, and wage, employment or worker's compensation

claims, arising out of or in connection with the use or occupancy of the Leased Lands by Lessee or by any other person holding rights under the Lessee, or at Lessee's sufferance or invitation; and from any accident or fire on the Leased Lands; and from any nuisance made or suffered thereon; and from any failure by Lessee to keep the Leasehold Lands in a safe and lawful condition consistent with applicable laws, regulations, ordinances or orders; and from any assignment, sublease, or conveyance, attempted or successful, by Lessee of all or any portion of the Leasehold Lands or interest therein contrary to the conditions and covenants of the Lease. Lessee will hold all goods, materials, furniture, fixtures, equipment, machinery and other property whatsoever on the Leased Lands at the sole risk of Lessee with its successors, assigns and invitees, and will save Lessor harmless from any claim of loss or damage by any cause whatsoever, including claims by third parties; however, this provision has no effect if, but only if, the sole proximate cause of the injury or damage is the Lessor's negligence.

(b) Damage to Lessor's Property. Lessee shall exercise diligence in protecting from damage the land and property of the City and Borough of Juneau, Alaska, covered by and used in connection with the Lease. Unless such damage shall have been caused by Lessor or its invitees, or because of actions taken by third parties due to unrestricted public access to the Leasehold Lands, Lessee shall:

(1) repair damage and restore the site to its previous condition;

(2) pay the City and Borough of Juneau, Alaska, the full cost of any damage resulting from negligence or activities occurring under the terms of the Lease or under any law or regulation applicable to municipal land generally, whether caused by the Lessee, or agents or employees of Lessee; or

(3) accomplish another remedy prescribed by Lessor's authorized officer.

(c) Risk of Loss of Improvements.

(1) Lessee assumes all risk of loss to the improvements resulting from natural or catastrophic events, including but not limited to, avalanches, rising waters, high winds, falling limbs or trees, and other hazardous events. If the improvements authorized by the Lease are destroyed or substantially damaged by natural or catastrophic events, Lessee shall cause an analysis by a certified engineer to be conducted to determine whether the improvements can be safely occupied in the future and whether rebuilding should be allowed. The results of this analysis shall be provided to Lessor's authorized officer.

(2) Prior to re-occupation by the public, Lessee shall produce appropriate certification as to the suitability for occupancy of all affected improvements. The certificate shall be provided to Lessor's authorized officer prior to re-opening of facilities to the public.

(d) Insurance. Lessee shall furnish to Lessor certificates of insurance prior to beginning operations under the Lease, and must give 30 days advance written notice of cancellation, non-renewal or any material change to such insurance coverage. All of the insurance policies shall be in form and substance reasonably satisfactory to Lessor and shall be issued by a company or companies satisfactory to Lessor. Failure to furnish satisfactory evidence of insurance, or the lapse of the policy once acquired, is a material breach and grounds for termination of the Lease. Required insurance is subject to annual review by the City and Borough of Juneau, Alaska, Office of Risk Management.

The coverage shall extend to property damage, bodily injury, or death arising out of Lessee's activities under the Lease including, but not limited to, occupancy or use of the Leasehold Lands and the construction, maintenance, and operation of the structures, facilities or equipment authorized by the Lease.

Without limiting the respective rights of indemnification above, Lessee shall purchase at its own expense and maintain in full force at all times during the term of the Lease, the following policies of insurance:

(1) Statutory Alaska Worker's Compensation, as well as Employer's Liability Insurance, with a limit of not less than \$500,000 in compliance with the laws of the State of Alaska, and where applicable, insurance which complies with any other statutory obligations, whether federal or state, pertaining to the compensation of injured employees, and including voluntary compensation. The Worker's Compensation Insurance shall contain a waiver of subrogation clause in favor of the City and Borough of Juneau, Alaska.

(2) Commercial General Liability insurance with a combined single limit of not less than \$10 million per occurrence. This policy shall include but not be limited to premises and operations, independent contractors, and products/completed operations, and reference the indemnification provisions of the Lease.

This insurance shall be considered to be the primary of any other insurance carried by the City and Borough of Juneau, Alaska, through self insurance or otherwise. This insurance shall also contain a "cross liability" or "severability of interest" clause or endorsement. The City and Borough of Juneau, Alaska, its officers, its agents, and its employees are to be covered as insureds as respects liability arising out of use of the Leased Lands or operations of Lessee. The insurer shall agree to waive all rights of subrogation against Lessor, its officers, agents, and employees for losses arising from the Leasehold Lands.

(3) All-Risk Property Insurance, including earthquake and flood, including business interruption, on the tramway structures, buildings, and equipment forming part of or otherwise connected to the Leased Lands, in such amounts and with such deductibles as under good business practices are ordinarily provided for on similar tram buildings and equipment, but in no event in an

amount less than the replacement value of the improvements. The City and Borough of Juneau, Alaska, shall also be named as a loss payee on any loss settlement under this section. Lessee shall be obligated to pay the deductibles.

35. Successors: This Lease shall be binding on the successors, administrators, executors, heirs, and assigns of Lessee and Lessor.

36. Condition of Premises: Lessee shall, during the demised term, at Lessee's own cost, cause the Leased Premises and the real property subject to the Air Rights Easement, together with any improvements thereon, to be kept in good repair and kept in a neat, clean, sanitary, and safe condition and shall take all reasonable precautions to prevent, and take all necessary action to suppress destruction or uncontrolled grass, brush, or other fire on the Leased Premises or real property subject to the Air Rights Easement. Lessee shall not undertake any activity which causes or increases a sloughing of or loss of surface materials on the Leased Premises. Lessee shall not in any manner, substantially change the contour or condition of the land without prior written permission of Lessor.

37. Use of Material: Lessee shall not sell or remove for any use elsewhere any timber, stone, gravel, peat moss, topsoils, or any other material valuable for building or commercial purposes; provided, however, that material required for the development of the leasehold may be used, if its use is first approved in writing by Lessor.

38. Responsibility to Properly Locate on Leased Premises: It shall be the responsibility of Lessee to properly locate Lessee and Lessee's improvements on the Leased Premises and real property subject to the Air Rights Easements and failure to so locate shall render Lessee criminally liable as provided by law.

39. Approval of Other Authorities: The issuance by Lessor of this Lease does not relieve Lessee of the responsibility of obtaining licenses or permits as may be required by the Lessor or by duly authorized state or federal agencies.

40. Local Hire: Lessee shall use best efforts to hire contractors and residents located in the City and Borough of Juneau.

41. Notice or Demand: Any notice or demand, which under the terms of this Lease or under any ordinance or statute must be given or made by parties thereto, shall be in writing, and be given or made by registered or certified mail, addressed to the other party at the address herein given. However, either party may designate in writing such new or other address to which the notice or demand shall thereafter be so given, made or mailed. A notice given hereunder shall be deemed delivered when deposited in a United States general or branch post office enclosed in a registered or certified mail prepaid wrapper or envelope addressed as hereinbefore provided.

LESSOR'S ADDRESS: CITY AND BOROUGH MANAGER
 City and Borough of Juneau
 155 South Seward Street
 Juneau, Alaska 99801

LESSEE'S ADDRESS: MOUNT ROBERTS DEVELOPMENT CORPORATION
 369 South Franklin Street, Suite 207
 Juneau, Alaska 99801

42. Memorandum of Lease: At the request of either party, the other party shall execute and acknowledge a memorandum of lease or a memorandum of modification of lease complying with the statutory and regulatory requirements for recordation of such memoranda.

43. License Prior to Effective Date: Prior to the effective date of this Lease, Lessee shall have a license to access to the Leased Premises and the Air Rights Easements to perform such examination, testing, engineering, surveying, and other such preparatory work as may be deemed appropriate by Lessee. Prior to performing such work, Lessee shall notify Lessor of the timing, nature and duration of such preparatory work.

44. Governing Law and Interpretation: (a) This Lease shall be governed by the laws of the United States, the State of Alaska, and the City and Borough of Juneau.

(b) This is a negotiated Lease where both parties are represented by counsel. Accordingly, the rule of contract interpretation that ambiguities, if any, are to be construed against the drafter shall not apply.

45. No Broker: Each party represents to the other that it has dealt with no broker in connection with this Lease.

46. Entire Agreement; Amendments: This document excluding any words or paragraphs struck out and including any language added, in either case, initialed and dated by both parties and including exhibits attached hereto contains the entire agreement between the parties, and said agreement may not be modified except in writing. There are no oral promises, representations, or warranties between the parties regarding any matter or thing connected with or related to the matters and things which are the subject of this Lease.

47. Consultation and Approval: It is hereby agreed that the development and use of the Leased Premises and the performance by Lessee of its obligations under the Lease requires the continued cooperation and involvement of Lessor and regular consultation between the parties. Whenever an action of one party requires the approval of the other party hereto, the parties shall use their best efforts to consult with each other, including exchange of information and suggestions. Whenever the consent or approval of a party is required, the request shall be acted upon promptly

(generally within 30 working days) and any approval called for herein shall not be unreasonably withheld.

IN WITNESS WHEREOF, the Lessor and Lessee have caused this Lease to be executed the day and year first above written in Juneau, Alaska.

LESSOR: CITY AND BOROUGH OF JUNEAU, ALASKA

By: Mark R. Palesh
Mark Palesh
City & Borough Manager

LESSEE: MOUNT ROBERTS DEVELOPMENT CORPORATION

By: John Heiser
John Heiser
President

ACKNOWLEDGEMENT BY LESSEE

STATE OF ALASKA)
) ss.
FIRST JUDICIAL DISTRICT)

The foregoing instrument was acknowledged before me this 31st day of January, 1995, by John Heiser, President of Mount Roberts Development Corporation, an Alaska corporation, on

behalf of the corporation.



Patricia A. Polley

Notary Public on and for the State of Alaska

My commission expires: 07-08-97

ACKNOWLEDGEMENT BY LESSOR

STATE OF ALASKA)
) ss.
 FIRST JUDICIAL DISTRICT)

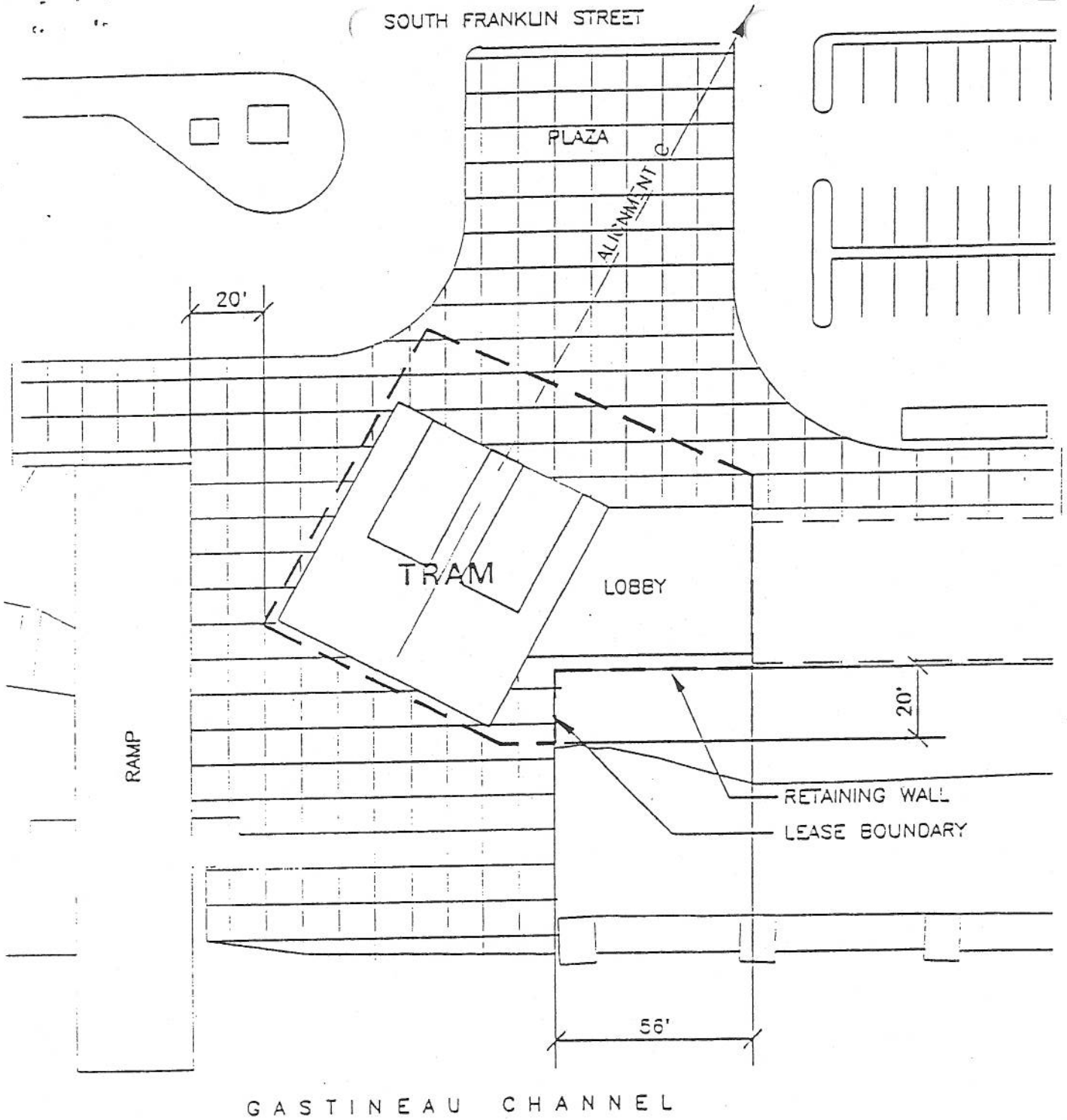
The foregoing instrument was acknowledged before me this 31st day of January, 1995, by Mark Palesh, City & Borough Manager of the City and Borough of Juneau.



Patricia A. Polley

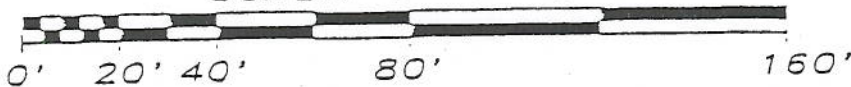
Notary Public on and for the State of Alaska

My commission expires: 07-08-97



GASTINEAU CHANNEL

SCALE: 1" = 40'



APPROXIMATE AREA OF LEASE - 9980 SF

EXHIBIT A

MT. ROBERTS TRAM

Jensen/Douglas
Architects, Inc.
12/8/94

Recorded at the request of:

Mount Roberts Development Corporation
c/o David C. Crosby
318 4th Street
Juneau, Alaska 99801

Telephone:
(907) 586-6262

Return to:

Steve Gilbertson
Land and Resources Manager
City/Borough of Juneau
155 South Seward Street
Juneau, Alaska 99801

Telephone:
(907) 586-5252

95-004154
99.00

JUNEAU REC. DISTRICT
REQUESTED BY Wichwire, Greene,
Crosby, Brewster Seward

'95 JUN 30 AM 10 43

AMENDMENT TO LEASE

THIS IS AN AMENDMENT to that lease ("the Lease") entered into on January 31, 1995 between the City and Borough of Juneau, Alaska ("CBJ") and Mount Roberts Development Corporation.

WHEREAS, the Lessor and Lessee are in agreement that the lease should be amended to extend the period for payment of 1996 royalty rent;

NOW, THEREFORE, in consideration of the mutual promises contained herein, the parties agree as follows:


1. Amendment of Section. Section 6(b) of the Lease is amended to read:

(b) Lessee shall pay the Royalty Rent to Lessor on an annual basis no later than January 31 of the year following the calendar year for which Royalty Rent is due, provided that the payment for Royalty Rent accruing in 1996, may be made in six payments of \$10,000 plus interest on the unpaid balance at 8%, the first such payment due on January 31, 1997, and the remainder every six months thereafter, the last on July 31, 1999.


2. Lease Otherwise Unchanged. All provisions of the lease not amended hereby shall remain in full force and effect.

IN WITNESS WHEREOF the parties have affixed their signatures this 18 day of July, 1997.

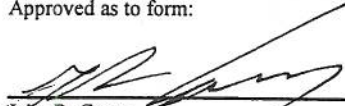
LESSEE


Title: V. President 7/18/97
date

LESSOR


David Palmer 7/10/97
City & Borough Manager date

Approved as to form:


John R. Corso
City & Borough Attorney

I:\AA\CD\TRAM\ROBERTSAMEND3.WPD