

## **Exhibit A**

Record in the Petersburg Recording District

### **LAND LEASE**

THIS AGREEMENT is made on the date last below signed between the Petersburg Borough, a municipal corporation organized and existing under the laws of the State of Alaska, whose mailing address is P.O. Box 329, Petersburg, Alaska 99833, hereinafter referred to as the "Lessor" or "Borough", and Nordic Real Estate LLC, a limited liability company organized in the State of Alaska, whose mailing address is P.O. Box 1975, Petersburg, Alaska, hereinafter referred to as the "Lessee(s)." Lessor and Lessee(s) are collectively referred to herein as "the parties".

### **RECITALS**

WHEREAS, the real property subject to this lease lies within the boundaries of the Petersburg Borough, Alaska, First Judicial District, Petersburg Recording District; and

WHEREAS, Lessor holds title to such real property; and

WHEREAS, Lessee(s) has submitted an application showing: (1) the purpose of the proposed lease; (2) that the intended use complies with the zoning ordinance and the comprehensive plan of the Borough, and (3) that the parcel is not otherwise needed for a public use; and

WHEREAS, this lease contains restrictions and reservations as are necessary to protect the public interest; and

WHEREAS, Lessee(s) desires to lease the parcel described herein for the purpose of: constructing an alleyway or driveway for access and continued maintenance to the south side and rear of the building located at 1105 S Nordic Drive.

NOW THEREFORE, in consideration of the mutual covenants and conditions herein contained, the parties agree as follows:

### **ARTICLE 1 - Demise and Description of Premises**

**Section 1.1: Demise and Description.** Lessor hereby leases to Lessee(s) the premises, ("demised premises,") described as: **Lot 4A, Block 222, Skylark II Subdivision, Plat 90-14** Petersburg Borough, AK, located in the Petersburg Recording District, subject to all valid existing rights, easements, rights-of-way, reservations, and exceptions, including those found in any patent or deed by which the Lessor received the premises.

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### **ARTICLE 2 - Term of Lease**

**Section 2.1: Term.** The term of this lease shall be for a period of five (5) years, commencing on April 21, 2025 and ending at midnight on April 20, 2030, unless sooner terminated under the terms of this agreement.

**Section 2.2: Renewal.** This lease may be renewed at the option of Lessee(s) for three (3) additional five (5) year terms, for a combined allowable duration of twenty (20) years, through April 20, 2045, provided that Lessee(s) is not then in default under the terms of this lease, and Lessee(s) gives written notice to Lessor of Lessee's intention to exercise a renewal option at least ninety (90) days and not more than one hundred and fifty (150) days prior to the expiration of the then-current lease term. If Lessee(s), for any reason, fails to timely exercise a renewal option or does not qualify for a renewal option, all subsequent renewal options are null and void.

Except for adjustments to the rental amount and the insurance requirements under Sections 3.2 and 12.3 respectively, all covenants and conditions of this lease shall remain in effect during any renewal term, subject to review and approval by the Borough, whose approval shall not be unreasonably withheld.

Any lease renewal may be denied when the Borough, in its sole opinion and at its sole discretion, as reflected by a vote of the majority of the Borough Assembly, concludes that it is the public interest to conclude or not renew the lease.

### **ARTICLE 3 – Rent**

**Section 3.1: Rent.** Lessee(s) shall pay to Lessor rent for the demised premises at the annual rate of Three Thousand Forty Dollars and No Cents (\$3,040.00) during the first five-year term of this lease. Rent owed for the first year of this lease shall be paid in a single payment upon execution of this agreement. Rental payments shall be due and owing in advance, without the submittal of an invoice by the Borough, on the anniversary date each year of the commencement date of this agreement.

**Section 3.2: Rent Adjustment.** The annual rental rate payable pursuant to this lease shall be subject to adjustment by the Borough Assembly at the commencement of the sixth year of the term and every fifth year thereafter. The annual rent shall be determined by the new current assessed value of the demised premises and any improvements, adjusted by the rental rate percentage of ten percent (10%), however shall not be lower than the annual rate for the immediately preceding term. The rental rate adjustment takes effect on the applicable adjustment date, regardless of whether the adjustment determination occurs before or after that date. All reasonable costs of the adjustment will be borne by the Lessee(s).

**Section 3.3: Penalty/Interest on Delinquent Payments.** Any payment due under this lease shall be deemed in default and delinquent if not paid within fifteen (15) days of the due date, or, if no due date is specified herein, within fifteen (15) days of tender of the applicable bill or invoice. The sum of \$100, or interest at the annual rate of eight percent (8%) on the delinquent payment, whichever is greater, shall be assessed on any delinquent payment. Additionally, the Lessee(s)

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shall be responsible to Lessor for any returned check fees or other charges incurred by Lessor as to any check or other form payment of Lessee(s) on which the bank or other financial institution refuses payment.

### **ARTICLE 4 - Use of Premises**

Section 4.1: Use of Premises; Abandonment. The demised premises are to be used only for: constructing an alleyway or driveway for access to and continued maintenance of the south side and rear of the building located at 1105 S Nordic Drive. Failure of the Lessee(s) to make substantial use of the demised premises within two years of lease inception, or any substantial abandonment or cessation of operations by Lessee(s) for two (2) consecutive years, will, in the Lessor's discretion, constitute grounds for termination of the lease.

Section 4.2: Compliance with Law. Lessee(s) shall comply with and abide by all federal, state, municipal and other governmental statutes, laws, ordinances, rules and regulations affecting the demised premises, the improvements thereon, or any activity or condition on such premises, in effect upon execution of this lease or hereafter adopted.

The issuance of this lease does not relieve the Lessee(s) of responsibility for obtaining licenses or permits which may be required by duly authorized state, federal or other agencies having jurisdiction over the demised premises or the use to be made of the premises. Any necessary permits or licenses must be obtained prior to commencement of the permitted or licensed activity.

Section 4.3: Uses Prohibited. This lease grants to Lessee(s) only the surface use of the demised premises. Lessee(s) shall not use, or permit the demised premises or any part thereof, to be used, for any purpose or purposes other than the purpose or purposes for which the demised premises are hereby leased; and no use shall be made or permitted to be made of the demised premises, or acts done, which may be considered hazardous on account of fire or otherwise. Any use not authorized by this lease shall constitute a trespass against the Lessor, and considered a breach of this lease. No fuel storage shall be allowed on the demised premises other than in Lessor-approved fuel tanks.

Section 4.4: Waste and Nuisance Prohibited; Unlawful Purpose; Removal of Rubbish. Lessee(s) shall not commit, or suffer to be committed any waste on the demised premises, or any nuisance. Lessee(s) shall not use or occupy the premises for any unlawful purpose. The Lessee(s) shall not store on the premises, and shall promptly remove and properly dispose of, refuse, waste materials, garbage, and other rubbish.

Section 4.5: Environmental and Water Quality Protection.

(a) If the Borough has cause to believe that environmental or water quality damage has occurred or is threatened, the Borough may give Lessee(s) twenty-four (24) hours notice of such damage or threatened damage, after which time, unless the Borough and Lessee(s) mutually agree otherwise, the Borough shall have the right to require the Lessee(s), or Lessee(s)' employees, representatives and agents to cease operations immediately and require Lessee(s) to

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take immediate action, pursuant to its oil spill contingency plan, if applicable, to correct or eliminate said damage or threat thereof. Failure of Lessee(s) to comply with such requests will be treated as a material breach of this agreement, entitling the Borough to terminate this agreement as provided. The Borough's rights under this provision shall not be construed as creating an obligation on the Borough's part to conduct or provide for any inspection as to environmental practices, it being agreed that compliance is the sole responsibility of Lessee(s).

(b) In accordance with Article 15, liability for any environmental or water quality damage that is caused by Lessee(s) or its employees, agents and representatives shall be borne by and at the sole expense of Lessee(s). If Lessee(s) fails or refuses to correct or repair said damage, pursuant to the Lessee(s)' oil spill contingency plan or otherwise, within a reasonable time, then after reasonable notice to Lessee(s), the Borough shall have the right, but not the obligation, to contract with any party to correct said condition and collect payment from Lessee(s) for all actual costs of said correction or repair.

(c) In addition to the Borough's right to indemnification as stated herein, Lessee(s) shall indemnify and hold the Borough harmless for any and all civil or criminal liabilities or penalties, including costs of defense, resulting from Lessee(s)' acts or omissions which cause, threaten, or permit, or are alleged to cause, threaten, or permit, environmental or water quality damage, or sanctions to be incurred because of environmental or water quality damage.

Section 4.6: Utilities. Lessee(s) shall fully and timely pay all costs associated with public services used by Lessee(s), for example, electric utility and any other utilities of any kind furnished to the demised premises throughout the term hereof, and all other similar costs and expenses of any kind whatsoever, arising from the use, operation and maintenance of the premises and all activities conducted thereon.

### **ARTICLE 5 – Improvements**

Section 5.1: Required Improvements. No improvements are required as a condition of this lease. However, any improvements made by the Lessee(s) shall require the prior written approval of the Lessor and comply with all federal, state, municipal and other governmental statutes, laws, ordinances, rules and regulations.

Section 5.2: Proper Placement of Improvements. Lessee(s) shall bear all responsibility for the proper placement of improvements on the demised premises, so as to avoid any encroachment on other lands of the Lessor or on lands owned or leased by another.

Section 5.3: Maintenance of Improvements. Lessee(s) shall, throughout the term of this lease, at their own cost, and without any expense to Lessor, keep and maintain the premises, including all improvements of any kind which may be or become a part thereof, in good, neat, clean and sanitary order, condition and repair. Lessor shall not be obligated to make any repairs or replacements of any kind, nature or description whatsoever, to the demised premises or to any improvements thereon.

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Section 5.4: Avoidance of Pollution. Lessee(s) shall not pollute the waters or real property that are the subject of this lease. Any pollution by Lessee(s) shall be considered a material breach of this lease.

Section 5.5: Damage to and Destruction of Improvements. The damage, destruction, or partial destruction of any improvement on the demised premises shall not release Lessees from any obligation hereunder, except as hereinafter expressly provided. In the event an improvement on the demised premises is destroyed to such an extent as to be rendered untenable by fire, storm, earthquake, or other casualty, Lessee(s) may elect to terminate this lease by providing Lessor with written notice within thirty (30) days of the destruction of the improvements. Should Lessee(s) elect to so terminate this lease, such termination shall be effective thirty (30) days after such notice. Such an election to terminate does not relieve Lessee(s) of the obligation to remove the damaged or destroyed improvement, as set out in Section 5.6 hereof.

Section 5.6: Removal or Reversion of Improvements Upon Expiration or earlier Termination. At the election of the Lessor, upon expiration or sooner termination of this lease, improvements and/or personal property located on the demised premises and owned by Lessee(s) may revert to and absolute title shall vest in the Lessor or shall, within sixty (60) calendar days after expiration or termination of this lease, be removed by Lessee(s) provided that the Borough Assembly may extend the time for removing improvements in cases where hardship is proven. The Lessee(s) may, with the consent of the Borough Assembly, sell their improvements to a succeeding Lessee(s). All periods of time granted Lessee(s) to remove improvements and/or personal property are subject to Lessee(s)' payment to the Lessor of pro rata lease rentals for said periods. If any improvements and/or personal property are not removed by Lessees within the time allowed, such improvements and/or personal property shall remain the property and responsibility of Lessee(s) and may be removed or destroyed by the Lessor, at the expense of Lessee(s).

Section 5.7: Repair of Premises. If Lessee(s) removes any improvements and/or personal property from the demised premises upon expiration or termination of this lease, Lessee(s) shall, at Lessee(s)' sole expense, repair any injury to the premises resulting from such removal.

## **ARTICLE 6 – Encumbrances**

Section 6.1: Lessee(s) to Keep Premises Free of Liens. Lessee(s) shall keep the demised premises and every part thereof and all improvements at any time located thereon free and clear of any and all mechanics, materialmen's and other liens arising out of or in connection with work or labor done, services performed, or repairs or additions which Lessee(s) may make or permit or cause to be made, or any work or construction, by, for, or permitted by Lessee(s) on or about the premises, or any obligations of any kind incurred by Lessee(s). Lessee(s) agrees, at all times promptly and fully, to pay and discharge any and all claims on which any such lien may or could be based. By this provision, the parties do not in any way recognize or acknowledge the authority or right of any person to impose any such lien.

Section 6.2: Contesting Liens. If Lessee(s) desires to contest any such lien, Lessee(s) shall notify Lessor of intention to do so within fifteen (15) days after the filing of such lien. In such

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case, and provided that Lessee(s) shall on demand protect Lessor by a good and sufficient surety bond against any such liens and any cost, liability or damage arising out of such contest, Lessee(s) shall not be in default hereunder until thirty (30) days after the final determination of the validity thereof, within which time Lessee(s) shall satisfy and discharge such lien to the extent held valid; but the satisfaction and discharge of any such lien shall not, in any case, be delayed until execution is had on any judgment rendered thereon, and such delay shall be a default of Lessee(s) hereunder.

Section 6.3: Encumbrance of Lessee's Leasehold Interest. Lessee(s) may not encumber Lessee(s)' leasehold interest in the demised premises, without the written consent of the Lessor, which may be granted or denied at the sole discretion of Lessor. Any encumbrance granted without the approval of Lessor is null and void. Any encumbrance, or a foreclosure or other conveyance arising from an encumbrance, shall not relieve Lessee(s) from its liability hereunder.

Section 6.4: Right to Notice to Holder of Encumbrance. If Lessee(s) shall encumber its leasehold interest in the demised premises, and in the event of default or breach of this lease, the holder of a properly recorded and approved encumbrance of an improvement on the demised premises and every approved sublessee thereof, shall be given a duplicate copy of any notice of default in the same manner as notices given to Lessee(s), provided however that such holder of an encumbrance or sublease has provided current address information in writing to the Borough Clerk. Such holder of an encumbrance or sublease may, at its option, at any time before the rights of Lessee(s) shall be terminated as provided herein, pay any of the rents due hereunder, or pay any taxes and assessments, or do any other act or thing that may be necessary and proper to be done, in the observance of the covenants and conditions hereof, to prevent the termination hereof. All payments so made, and all things so done and performed shall be as effective to prevent a termination of the rights of Lessee(s) hereunder as the same would have been if done and performed by Lessee(s).

## **ARTICLE 7 - Reservation of Rights**

Section 7.1: Mineral Reservations. Lessor hereby expressly saves, excepts and reserves out of the grant hereby made, unto itself, its successors, assigns and other lessees, forever, all oils, gases, coal, ores, minerals, fissionable materials, geothermal resources, and fossils of every name, kind or description, and which may be in or upon the lands subject to this lease, or any part thereof, and the right to explore the same for such oils, gases, coal, ores, minerals, fissionable materials, geothermal resources, and fossils. Lessor also hereby expressly saves and reserves out of the grant hereby made, unto itself, its successors, assigns and other lessees, forever, the right by itself, or its or their agents or other representatives, to enter upon the lands subject to this lease, or any part thereof, at any and all times, for the purpose of making beneficial use of these reserved rights and to remain and to occupy as much of said lands as may be necessary or convenient for such purpose, hereby expressly reserving to itself, its lessees, successors and assigns, as aforesaid, generally all rights reasonably necessary or convenient to render beneficial and efficient the complete enjoyment of the property and rights hereby expressly reserved.

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Section 7.2: Surface Reservations. All deposits of stone, earth or gravel, and standing timber, valuable for extraction or utilization are reserved by Lessor and shall not be removed from the land or sold without the written consent the Borough Manager.

Section 7.3: Lessor's Right of Entry. Lessee(s) shall permit Lessor, its agents, employees and other representatives, to enter into and upon the demised premises at all reasonable times for the purpose of inspecting the demised premises and improvements thereon.

### **ARTICLE 8 - Eminent Domain**

Section 8.1: Effect of Condemnation. If the whole or any part of the demised premises is taken by any authorized body vested with the power of eminent domain, the following provisions control:

Section 8.1.1: Taking of the Entire Premises. If the entire premises are taken by condemnation, the terms of this lease and all rights of Lessee(s) will terminate at the time of the taking; i.e., at the time title finally vests in the governmental agency exercising the power of eminent domain. Lessor is entitled to all condemnation proceeds, except that Lessee(s) shall be paid the portion of the proceeds attributable to the fair market value of the improvements placed on the condemned premises and owned by Lessee(s).

Section 8.1.2: Taking of Substantial Part of Premises. If the taking is of a substantial part of the premises, the following shall apply:

- (a) If the taking by condemnation reduces the ground area of the demised premises by at least 30% or materially affects the use being made by Lessee(s) of the parcel, Lessee(s) may elect to terminate the lease by written notice to Lessor not later than ninety (90) days after the date of taking.
- (b) If Lessee(s) elects to terminate, the provisions of Section 8.1.1 shall govern the condemned portion of the demised premises and Section 5.6 and any other applicable term of the lease shall govern the removal and/or disposal of the remainder of any improvements made by Lessee(s).
- (c) If Lessee(s) elect not to terminate, this lease continues as to the remaining portion of the demised premises, and Lessor is entitled to the full condemnation proceeds except the portion attributable to the fair market value of the improvements placed on the condemned portion of the premises and owned by Lessee(s). Rent for the balance of the lease will be adjusted by Lessor to reflect the taking.

Section 8.1.3: Taking of Insubstantial Part of Premises. If the taking by condemnation reduces the ground area of the demised premises by less than 30% and Lessor determines that the taking is of such an insubstantial portion that Lessee's use of the demised premises is not materially affected, an election to terminate by Lessee(s) is not allowed and the provisions of Section 8.1.2(c) will govern.

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Section 8.2: Authority. By this Article, the parties do not in any way recognize or acknowledge the authority or right of any governmental entity to exercise a power of eminent domain over the demised premises or any interest created by this lease.

### **ARTICLE 9 - Assignment and Subletting**

Section 9.1: Assignment. Lessee(s) may assign this lease only with the prior written consent of the Borough Assembly, said consent granted at its sole discretion. The assignee shall be subject to all the provisions of the lease and Lessee(s)-assignor(s) shall not be relieved of any of Lessee(s)' obligations hereunder. However, the Assembly may, in its discretion, approve an assignment made solely as security for a loan, whereby the lender/assignee shall not be liable for the obligations of the Lessee(s) unless the lender/assignee is or becomes in possession of the leased property. Lessee(s) shall not transfer, convey or otherwise dispose of this lease or the rights hereunder, in whole or in part, without the prior written consent of Lessor. Lessor may accept rent or other funds or obligations due from an assignee or other transferee, but no such collection of rent or other funds or obligations shall be deemed a waiver of any term or condition of this lease, nor an acceptance of the assignee or other transferee as Lessee(s).

Section 9.2: Subletting. Lessee(s) may sublease the demised premises or any part thereof only with the prior written consent of the Borough Assembly, said consent granted at its sole discretion. All subleases shall be in writing and shall include or otherwise incorporate all terms and conditions of this lease. Upon approval of a sublease, sublessee shall be responsible for all obligations of Lessee(s) under the lease, including compliance with all terms and provisions of this lease. However, Lessee(s) continues to remain responsible for all terms, provisions, and obligations of the lease in addition to sublessee. Lessor may collect rent from the sublessee, but such collection shall not be deemed a waiver of any term or condition of this lease nor an acceptance of the sublessee as Lessee(s). The terms of a sublease must be approved by the Borough, and a copy of the executed sublease shall be filed with Borough Clerk.

### **ARTICLE 10 – Warranties**

Section 10.1: Title and Quiet Possession. Lessor covenants that Lessor is seized of the demised premises in fee simple and that Lessee(s) shall have quiet and peaceable possession of the demised premises during the term hereof, subject to the terms and provisions of this lease. Prior to entering into this lease, if Lessee(s) so requests, Lessor shall provide to Lessee(s) a copy of the deed or patent under which Lessor obtained ownership of the demised premises.

Section 10.2: Authority of Agents. Each party to this agreement warrants that the individual(s) signing this lease on their behalf has written authority to execute this agreement.



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### **ARTICLE 11 – Taxes**

Section 11.1: Taxes. Lessee(s) shall pay and discharge as they become due, promptly and before delinquency, all taxes, assessments, and any other similar charges or fees, of every kind which may be levied, assessed or charged, or which may become a lien or charge on or against the demised premises or any part thereof, the leasehold of Lessee(s) herein, or any improvements now or hereafter located thereon.

Section 11.2: Contesting Taxes. If Lessee(s) shall in good faith desire to contest the validity or amount of any tax, assessment, charge or fee herein agreed to be paid by Lessee(s), Lessee(s) shall be permitted to do so and to defer payment of such tax, assessment, charge or fee, the validity or amount of which Lessee(s) is so contesting, until final determination of the contest, provided that Lessee(s) provides Lessor written notice thereof prior to the commencement of any such contest, which shall be at least thirty (30) days prior to delinquency, and provides Lessor on demand a good and sufficient surety bond against any such tax, assessment, charge or fee, and from any costs, liabilities or damage arising out of any such contest. Lessee(s) shall not be in default until thirty (30) days after the final determination of the validity of said contested tax, assessment, charge or fee, within which time Lessee(s) shall satisfy and discharge such to the extent held valid; but the satisfaction and discharge of such shall not, in any case, be delayed until execution is had on any judgment rendered thereon, and such delay shall be a default of Lessee(s) hereunder.

### **ARTICLE 12 – Insurance**

Section 12.1: Insurance. Lessee(s) shall, for any claims that may occur or be made during the initial and any renewal term of this lease, at its own expense, keep in force by advance payment of premiums, the following-described policies of insurance for protection against the claims of employees or other persons, insuring both Lessee(s) and Lessor against any liability that may accrue against them or either of them arising from or in any way connected with this lease and the acts or omissions of Lessee(s), its agents, sublessees or other representatives under this lease:

- (a) Workers compensation and employer's liability insurance, as required by law, and if applicable, any other federal or state insurance requirements regarding lessee's operations.;
- (b) Comprehensive general liability insurance, written on an occurrence form and not a claims-made form, satisfactory to the Lessor with a combined single claim limit of not less than Two Million Dollars (\$2,000,000.00); and
- (c) Commercial Automobile Liability Insurance, covering bodily injury and property damage, with adequate per occurrence limits satisfactory to Lessor; and
- (d) Property insurance, insuring Lessee(s)' property and improvements, in adequate amounts to insure the property's full value; and
- (e) Pollution insurance satisfactory to the Lessor.

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The Borough Clerk may, at the Clerk's discretion and after consultation with the Borough Attorney, waive, for a specific period of time or for a entire term, the requirement that the Lessee(s) obtain one or more of the insurance policies listed above in the event that the Clerk determines, in writing, such policy or policies not to be applicable to the use or operations of the Lessee(s).

Section 12.2: Insurance Certificate. The insurance shall be placed with an insurance carrier or carriers satisfactory to Lessor and shall not be subject to cancellation or any material change except after thirty (30) days written actual notice to Lessor. Lessor shall be specifically named as an additional insured on policies required by Section 12.1, where permissible, and all insurers shall agree to waive all rights of subrogation against Lessor. A current certificate of insurance reflecting full compliance with these requirements shall, at all times during this lease, be kept on deposit at the general offices of Lessor. If Lessee(s) fails to comply with these insurance requirements, Lessor may suspend Lessee(s)' activities on the demised premises until Lessee(s) fully complies with these requirements, or may terminate this lease in accordance with Section 13 hereof, or may, but shall not have any obligation to, obtain and pay for such insurance and keep the same in force and effect, and Lessee(s) shall pay Lessor on demand for the premium costs thereof.

Section 12.3: Maintenance of Coverage. All general liability and other casualty policies shall be written as primary policies; they shall not be contributing with, or in excess of, any insurance coverage that Lessor may otherwise carry. In order to maintain the same level of coverage that will exist at the commencement of this lease, the amounts and types of coverage called for herein shall be subject to review at each renewal, and, at the Lessor's sole discretion, the insurance requirement shall be increased or extended to require the amounts and types of coverage deemed necessary by the Lessor. The insurance required by this lease shall cover all claims arising from or in any way related to or connected with the lease and the acts or omissions of Lessee(s) under this lease, whether or not such claim is asserted during the term of this lease or the applicable insurance policy and even though judicial proceedings may not be commenced until after the expiration of this lease or the applicable insurance policy. On policies as to which the Borough is an additional insured, all coverages must apply to claims between insureds on the policy. Lessee(s) shall maintain insurance written on an occurrence basis.

Section 12.4: Notification of Claim or Potential Claim. In the event the Lessee(s) becomes aware of a claim or potential against Lessee(s) relative to this lease, the Lessee(s) shall immediately notify, and provide documentation and full disclosure of the claim or potential claim, to the Lessor.

## **ARTICLE 13 - Default and Remedies**

Section 13.1: Default/Breach. Each of the following shall be deemed a default by Lessee(s) and a breach of this lease:

- (a) Lessee(s) shall fail to pay any installment of rent or perform any other obligation hereunder involving the payment of money on the date the same is due.

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- (b) Lessee(s) shall fail to comply with any term, provision, requirement, or covenant of this lease.
- (c) Lessee(s) shall desert or vacate or shall commence to desert or vacate the demised premises or any substantial portion thereof or shall remove or attempt to remove, without the prior, written consent of Lessor, all or a substantial portion of Lessee(s)' improvements on the demised premises.

Section 13.2: Default Remedies. If Lessee(s) defaults hereunder, and the default continues for thirty (30) calendar days after service of written notice by Lessor, without complete remedy of the default, Lessor shall take such action as is necessary to protect its rights and best interests, including the exercise of any and all rights after default permitted by this lease. No improvements may be removed by Lessee(s) or any other person during any time Lessee(s) is in default under this lease. If the default consists of a failure to obtain the required insurance, or creates a health or safety concern, the Lessor may immediately suspend Lessee(s)' activities and operations on the demised premises.

Section 13.3: Rights upon Default after Notice. After notice has been given and the default remains uncorrected for a period of thirty (30) days, Lessor, in addition to any rights and remedies that Lessor possesses by statute, common law or otherwise, may, without limitation, do one or more of the following:

- (a) Reenter the demised premises and take possession of and remove all persons and property from the same, without liability for any damage or injury therefor, , either by summary proceedings, suitable action at law, or other legal means, provided that any entry or reentry, possession, repossession or dispossession by Lessor, whether taken by summary proceedings or otherwise, shall not be deemed to absolve, relieve, release, or discharge Lessee(s), either in whole or in part for the monetary liability under this lease;
- (b) Declare the lease terminated and the term ended;
- (c) Re-let the demised premises in whole or in part for any period equal to or greater or less than the remainder of the original term of this lease, for any sum which may be reasonable;
- (d) Collect any and all rents due or to become due from sublessees or other occupants of the demised premises;
- (e) Recover from Lessee(s) the following items of damage:
  - (1) Actual attorney's fees and other expenses reasonably incurred by reason of the breach or default by Lessee(s),
  - (2) The cost of performing any term, provision, requirement or covenant on the Lessee(s)' part to be performed,

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- (3) Interest at the maximum allowable rate on all amounts owing to Lessor from the date due until payment thereof in full,
- (4) An amount equal to all rents due for the remainder of the term without reduction for anything other than the amount in fact received on releasing of the demised premises, and
- (5) Obtain specific performance of this lease.

Section 13.4: Remedies Cumulative/Obligations Survive. The remedies of Lessor hereunder shall be deemed cumulative and not exclusive of each other. All obligations of the Lessee(s) set forth in this lease survive expiration or earlier termination of this lease.

### **ARTICLE 14 - Termination and Holding Over**

Section 14.1: Redelivery of Premises. Lessee(s) shall, at the expiration or sooner termination of this lease, peaceably and quietly quit and surrender to Lessor the demised premises in as good a state and condition as the premises were at the commencement of the term, excepting normal wear and tear.

Section 14.2: Termination by Mutual Agreement, Due to Unlawful Purpose, or Upon Notice. Leases may be terminated in whole or in part, at any time, upon mutual written agreement by Lessee(s) and the Borough Assembly, or by the Borough Assembly acting alone if the demised premises are used for any unlawful purpose, or without cause upon one (1) year's written notice to Lessee(s).

Section 14.3: Reentry by Lessor. In the event the lease is terminated, or in the event that the demised premises, or any part thereof, are abandoned by Lessee(s) during the term of this lease, Lessor or its agents, employees or representatives, may, immediately or at any time thereafter, reenter and resume possession of said premises or such part thereof, and remove all persons and property therefrom, either by summary proceedings, a suitable action or proceeding at law or other legal means, without being liable for any damages or injury therefor. No reentry by Lessor shall be deemed an acceptance of a surrender of lease.

Section 14.4: Disposal Upon Termination. In the event that this lease is terminated, the Borough Assembly may offer the demised premises for lease or other appropriate disposal pursuant to the provisions of the Borough Code.

Section 14.5: Forfeiture of Rental Upon Termination. In the event that this lease shall be terminated because of any breach of Lessee(s), the annual rental payment last made by Lessee(s) shall be retained by Lessor and the Lessor may demand from Lessee(s) the amount equal to all rents due for the remainder of the term.

Section 14.6: Holding Over. Upon failure of Lessee(s) to surrender possession of the demised premises at the expiration or earlier termination of this lease, and during any period of holding over, Lessee(s) shall be responsible for payment for the annual rental payment calculated on a monthly pro rata basis. Lessee(s) shall acquire no additional rights to, or interest in, the demised premises by holding-over after expiration or earlier termination of this lease, and shall be subject

## **Exhibit A**

to action, including legal action, by Lessor to require the surrender of the demised premises. All terms of this Agreement shall apply during the hold-over period. The receipt by Lessor of any rent or any other sum of money after the expiration or earlier termination of the lease, including after the giving by Lessor of any notice hereunder to effect surrender of the premises, shall not reinstate, continue or extend the resultant term herein demised, or in any manner impair the efficacy of, any notice or termination as may have been given by Lessor to Lessee(s) prior to the receipt of any such sum of money or other consideration, unless so agreed to in writing and signed by Lessor.

### **ARTICLE 15 - Environmental Compliance**

**Section 15.1: Environmental Laws.** The Lessee(s) shall, at the Lessee(s)' own expense, comply with all existing and hereafter enacted environmental responsibility laws ("Environmental Laws") and make all submissions to, provide all information to, and comply with all requirements of, the appropriate governmental authority (the "Authority") under the Environmental Laws. At no expense to the Lessor, the Lessee(s) shall promptly provide all information, and sign any documents, requested and required by the Lessor to determine the applicability of the Environmental Laws to the demised premises.

**Section 15.2: Remedial Plans and Action.** Should the Authority require that a remedial action plan be prepared and that remedial action be undertaken because of the presence of, or any disposal, release, spill, or discharge or threatened disposal, release, spill, or discharge of or contamination by, hazardous materials at the demised premises that occurs or is discovered during the term of this lease or arises out of or in connection with the Lessee(s)' use or occupancy of the demised premises, then the Lessee(s) shall, at the sole expense of Lessee(s), prepare and submit the required plans and financial assurances and carry out the approved plans.

**Section 15.3: Indemnification.** The Lessee(s) shall indemnify, defend, and hold harmless the Lessor from all fines, penalties, suits, judgments, procedures, claims, demands, liabilities, settlements, and actions of any kind arising out of or in any way connected with the presence of or any disposal, release, spill, or discharge or any threatened disposal, release, spill, or discharge of, or contamination by, hazardous materials at the demised premises that occurs or is discovered during the term of the lease or arises out of or in connection with the Lessee(s)' use or occupancy of the demised premises; and from all fines, penalties, suits, judgments, procedures, claims, demands, liabilities, settlements, and actions of any kind arising out of the 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 spill, discharge, or contamination that occurs or is discovered during the term of this lease or arises out of or in connection with the Lessee(s)' use or occupancy of the demised premises.

**Section 15.4: No Discharge or Disposal.** The Lessee(s) agrees to not discharge or dispose of, or suffer the discharge or disposal of, any petroleum products, gasoline, hazardous chemicals, or hazardous materials into the atmosphere, ground, wastewater disposal system, sewer system, or any body of water.

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Section 15.5: Presumption. In any court action or administrative proceeding, in addition to all other applicable presumptions, it shall be rebuttably presumed that any environmental contamination of the demised premises (i) has been released on the demised premises; (ii) has resulted from acts or omissions of the Lessee(s) or its agents or representatives; and (iii) has occurred during the term of this lease. The Lessee(s) has the burden of rebutting the presumptions by clear and convincing evidence.

Section 15.6: Definition. As used in this lease, the term “hazardous materials” means any hazardous or toxic substances, material, or waste that is or becomes regulated by any municipal governmental authority, the State of Alaska, or the United States government.

Section 15.7 Survival of Obligations. The obligations and provisions of this section 20 shall survive the expiration or termination of this lease.

### **ARTICLE 16 - General Provisions**

Section 16.1: Disclaimer. Lessor's consent to Lessee's use of the demised premises shall not be construed as endorsing the use of the demised premises for the purposes proposed by Lessee(s) and the Borough disclaims any such express or implied endorsement.

Section 16.2: Notices. Any notice or demand, which under the terms of this lease or under any statute or Borough Code provision must be given or made by the parties hereto, shall be in writing and shall be given or made by hand-delivery or by certified mail, return receipt requested, addressed to the other party at the address of record, designated as follows:

(a) The Lessor:

Petersburg Borough  
Attention: Borough Manager  
Physical address: 12 S. Nordic Drive  
Mailing address: P. O. Box 329  
Petersburg, Alaska 99833

(b) The Lessee(s):

Nordic Real Estate LLC  
Attention: Randal and Sarah Holmgrain  
Physical address: 24 Halvøy Lane  
Mailing address: PO Box 1975  
Petersburg, AK 99833

Either party may designate in writing another address to which such notice or demand shall hereafter be given. If given by certified mail, notice given under this provision shall be deemed delivered three (3) days after same is deposited into an appropriate receptacle of the United States Postal Service.

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Section 16.3: Inspection and Condition of Premises. The Lessor makes no representations or express or implied warranties regarding the demised premises. Lessee(s) acknowledges that it has been given unlimited opportunity to inspect the demised premises and accepts said premises "as is, where is", in its present condition. The Lessor assumes no liability whatsoever regarding the condition, quality, profitability, or fitness for a particular use, of the demised premises, including without limitation the environmental and physical aspects of the demised premises (including the soil conditions, water drainage, access, and natural or artificial hazards that may exist), and any applicable statutory or other warranty is expressly disclaimed by Lessor and waived by Lessee(s). The Lessee(s) represents that Lessee(s) has inspected the demised premises and any improvements located thereon, or has voluntarily declined to do so, and has adequately determined that same is suitable for the use intended, and accepts all risks, obvious or hidden, arising from possession, occupation and use.

Section 16.4: Non-Waiver. No failure on the part of Lessor to enforce any covenant or provision herein contained, nor any waiver of any right hereunder by Lessor, unless in writing and signed by the parties sought to be bound, shall discharge or invalidate such covenant or provision or affect the right of Lessor to enforce the same in the event of any subsequent breach or default. The receipt of rent by Lessor with knowledge of any breach of the lease by Lessee(s) or any default on the part of Lessee(s) in observance or performance of any of the conditions or covenants of this lease shall not be deemed to be a waiver of any provision of this lease.

Section 16.5: Responsibility/Indemnification. Lessee(s) agrees to assume full control and responsibility for all activities and operations on or connected with this lease. Lessee(s) shall defend, indemnify, and save harmless Lessor from and against,

(a) any and all losses, damages, liabilities, expenses, claims and demands of whatsoever kind or character, direct or indirect, including attorney fees and costs, arising out of or in any way connected with this lease or Lessee(s)' use or occupancy of the demised premises, or Lessee(s)' operations, activities and improvements thereon;

(b) any fire or accident on the demised premises;

(c) any nuisance made or suffered on the demised premises; and

(d) any failure of the Lessee(s) to keep the demised premises in a safe and lawful condition, consistent with all applicable laws, regulations, ordinances, statutes, and orders.

Section 16.6: Integration. This lease sets forth all the covenants, terms, conditions and understandings between the parties hereto, and there shall be no covenants, terms, conditions or understandings, either oral or written, between them other than as herein set forth.

Section 16.7: Amendments or Modification. This lease may not be amended or modified orally or in any manner other than by an agreement in writing signed by both parties or their successors in interest.

Section 16.8: Recording of Lease. Lessee(s) shall record this lease at their own expense as soon as possible after its execution by both parties. Directly after recording this lease, Lessee(s) shall

## **Exhibit A**

provide Lessor with a copy of the lease stamped by the Recorder's Office showing the date and time of recording. If Lessee(s) fails to timely record this lease, the Lessor may do so at Lessee(s) expense, payable upon demand, including recording fees and administrative costs.

Section 16.9: Attorney's Fees. If Lessor institutes any action to recover any payment due under this lease, or on account of any breach of this lease, or to recover possession of the demised premises, Lessor shall be entitled to recover its actual attorney's fees and all costs and expenses reasonably incurred by it in connection with such action and on any appeal therefrom.

Section 16.10: Severability of Terms. The invalidity or unenforceability of any provision(s) of this agreement shall not affect or impair any other provisions.

Section 16.11: Binding Effect. The terms, provisions and covenants contained in this lease shall apply to, inure to the benefit of, and bind the parties and their respective successors, except as otherwise herein expressly provided.

Section 16.12: Effect of Headings. The captions, section headings and numbers, and article headings and numbers in this lease are inserted only as a matter of convenience and in no way define, limit or describe the scope or intent of the sections or articles of this agreement, nor in any way affect the agreement.

Section 16.13: Easements. The Lessor expressly reserves the right, without compensation to Lessee(s) or adjustment in Lessee(s)' rental, to maintain or otherwise grant surface, underground or overhead utility easements or rights-of-way in or upon the demised premises.

The parties acknowledge that there is currently an electric utility service pole located on the demised premises, and that Petersburg Municipal Power and Light (PMPL), or any contractor or representative PMPL, shall have the right at all times to enter onto the demised premises to maintain, repair or replace the pole. Prior to construction of any improvements or other ground work on the demised premises, the Lessee(s) shall confer with and obtain the written approval of PMPL to ensure that the pole and its foundation will not be damaged, weakened or destabilized. Any relocation of the pole made at the request of Lessee(s) requires the approval of PMPL and shall be at the sole expense of the Lessee(s). Lessee(s) shall take no action on the demised premises to damage, weaken, or destabilize the facilities of PMPL or other utilities.

Section 16.14: Governing Law/Jurisdiction. This lease shall be governed by, construed, and enforced in accordance with the laws of the State of Alaska. The parties consent to the jurisdiction of the courts of the State of Alaska located in Petersburg, Alaska.

Section 16.15: Interpretation. Both parties have had the full and complete opportunity to seek the advice and assistance of counsel in connection with the execution of this lease, and no rule favoring the interpretation of a written document urged by the non-drafting party shall apply in the event a dispute arises hereunder.



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Section 16.16: Counterparts. This lease may be executed in counterparts and such counterparts exchanged by facsimile or email transmission. Each such counterpart shall be deemed an original but all counterparts shall constitute one and the same agreement.

Section 16.17: Inspections. The Lessor shall have, upon twenty-four (24) hours' notice except in case of emergency, access to the demised premises and any improvements thereon for purposes of inspection. The Lessee(s) may be charged fees by Lessor, at Lessor's standard rates, for routine inspections of the premises, inspections concerning potential non-compliance, and a final close-out inspection.

Section 16.18: Time of the Essence. Time is of the essence in all provisions of this lease.

*[Signatures and Notary Blocks on following pages]*

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IN WITNESS WHEREOF the Petersburg Borough as Lessor, acting through its Borough Manager, being duly-authorized by action of the Borough Assembly, and Nordic Real Estate LLC as Lessee(s), through its Members having authority to execute this lease, have hereunto set their respective hands, agreeing to keep, observe and perform all the terms, conditions and provisions herein contained or attached.

DATED this \_\_\_\_ day of \_\_\_\_\_, 2025

LESSOR:  
BOROUGH OF PETERSBURG

By: \_\_\_\_\_  
Stephen Giesbrecht, Borough Manager

STATE OF ALASKA                    )  
  ) ss.  
FIRST JUDICIAL DISTRICT        )

THIS IS TO CERTIFY that on this \_\_\_\_ day of \_\_\_\_\_, 2025, before the undersigned, a Notary Public in and for the State of Alaska, duly commissioned and sworn, personally appeared Stephen Giesbrecht, to me known to be the Borough Manager of the Petersburg Borough, who executed the above and foregoing instrument, and acknowledged to me said instrument to be the free and voluntary act and deed of said Borough for the uses and purposes therein mentioned, and on oath stated that he is authorized to execute said instrument.

WITNESS My Hand and Official Seal the day and year in this certificate first above written.

\_\_\_\_\_  
Notary Public for the State of Alaska  
My commission expires: \_\_\_\_\_

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DATED THIS \_\_\_\_ day of \_\_\_\_\_, 2025.

LESSEE(S):  
Nordic Real Estate LLC

By: \_\_\_\_\_

and \_\_\_\_\_

Its: Members

STATE OF ALASKA                    )  
  ) ss.  
FIRST JUDICIAL DISTRICT        )

THIS IS TO CERTIFY that on this \_\_\_\_ day of \_\_\_\_\_, 2025, before the undersigned, a Notary Public in and for the State of Alaska, duly commissioned and sworn, personally appeared \_\_\_\_\_ and \_\_\_\_\_ to me known to be the Members of Nordic Real Estate LLC, who executed the above and foregoing instrument, and acknowledged to me this instrument to be the free and voluntary act and deed of said company for the uses and purposes therein mentioned, and on oath stated that they are authorized to execute said instrument.

WITNESS My Hand and Official Seal the day and year in this certificate first above written.

\_\_\_\_\_  
Notary Public for the State of Alaska  
My commission expires: \_\_\_\_\_

After recording, Return to:       Rebecca Regula, Borough Clerk  
  Petersburg Borough  
  PO Box 329  
  Petersburg, Alaska 99833