



Alaska Alcoholic Beverage Control Board

Form AB-00: New License Application

What is this form?

This new license application form is required for all individuals or entities seeking to apply for a new liquor license. Applicants should review **Title 04 of Alaska Statutes** and **Chapter 304 of the Alaska Administrative Code**. All fields of this form must be completed, per AS 04.11.260 and 3 AAC 304.105.

This form must be completed and submitted to AMCO's main office, along with all other required forms and documents, before any license application will be considered complete.

Section 1 - Establishment and Contact Information

Enter information for the business seeking to be licensed.

Licensee:	Northern Hospitality Group Inc.- Christensen Drive Level Banquet Room East Bar				
License Type:	Beverage Dispensary License/ Duplicate	Statutory Reference:	AS 04.11.090(e)		
Doing Business As:	49TH State Brewery				
Premises Address:	717 West 3rd Ave				
City:	Anchorage	State:	Alaska	ZIP:	99501
Local Governing Body:	Municipality of Anchorage				
Community Council:	Downtown Community Council				

Mailing Address:	717 West 3rd Ave				
City:	Anchorage	State:	Alaska	ZIP:	99501

Designated Licensee:	Jason Motyka				
Contact Phone:	907-229-5151	Business Phone:	907-277-7727		
Contact Email:	jason@dv3corp.com				

Seasonal License? ☐ Yes ☒ No ☐ If "Yes", write your six-month operating period: _____

OFFICE USE ONLY				
Complete Date:		License Years:	License #:	5555
Board Meeting Date:		Transaction #:	15210	
Issue Date:		BRE:		





Alaska Alcoholic Beverage Control Board

Form AB-00: New License Application

Section 2 – Premises Information

Premises to be licensed is:

☒ an existing facility ☐ a new building ☐ a proposed building

The next two questions must be completed by beverage dispensary (including tourism) and package store applicants only:

What is the distance of the shortest pedestrian route from the public entrance of the building of your proposed premises to the outer boundaries of the nearest school grounds? Include the unit of measurement in your answer.

Denali Montessori Elementary School-1 Mile

What is the distance of the shortest pedestrian route from the public entrance of the building of your proposed premises to the public entrance of the nearest church building? Include the unit of measurement in your answer.

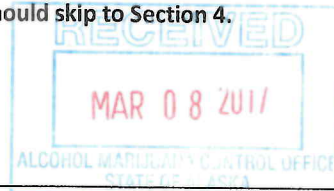
The Holy Mass Cathedral-830 Feet

Section 3 – Sole Proprietor Ownership Information

This section must be completed by any sole proprietor who is applying for a license. Entities should skip to Section 4.
If more space is needed, please attach a separate sheet with the required information.

The following information must be completed for each licensee and each affiliate (spouse).

This individual is an: ☐ applicant ☐ affiliate



Name:					
Address:					
City:		State:		ZIP:	

This individual is an: ☐ applicant ☐ affiliate

Name:					
Address:					
City:		State:		ZIP:	



Alaska Alcoholic Beverage Control Board

Form AB-00: New License Application

Section 4 – Entity Ownership Information

This section must be completed by any entity, including a corporation, limited liability company (LLC), partnership, or limited partnership, that is applying for a license. Sole proprietors should skip to Section 5.

If more space is needed, please attach a separate sheet with the required information.

- If the applicant is a corporation, the following information must be completed for each *stockholder who owns 10% or more* of the stock in the corporation, and for each *president, vice-president, secretary, and managing officer*.
- If the applicant is a limited liability organization, the following information must be completed for each *member with an ownership interest of 10% or more*, and for each *manager*.
- If the applicant is a partnership, including a limited partnership, the following information must be completed for each *partner with an interest of 10% or more*, and for each *general partner*.

Entity Official:	David Mccarthy				
Title(s):	President	Phone:	907-599-0052	% Owned:	50
Address:	717 West 3rd Ave				
City:	Anchorage	State:	Alaska	ZIP:	99501

Entity Official:	Jason Motyka				
Title(s):	Treasurer/Secretary	Phone:	907-229-5151	% Owned:	41
Address:	717 West 3rd Ave				
City:	Anchorage	State:	Alaska	ZIP:	99501

Entity Official:					
Title(s):		Phone:		% Owned:	
Address:					
City:		State:		ZIP:	

Entity Official:					
Title(s):		Phone:		% Owned:	
Address:					
City:		State:		ZIP:	





Alaska Alcoholic Beverage Control Board

Form AB-00: New License Application

This subsection must be completed by any applicant that is a corporation or LLC. Corporations and LLCs are required to be in good standing with the Alaska Division of Corporations (DOC) and have a registered agent who is an individual resident of the state of Alaska.

DOC Entity #:	10034739	AK Formed Date:	12/02/2015	Home State:	Alaska
Registered Agent:	Jason Motyka		Agent's Phone:	907-229-5151	
Agent's Mailing Address:	POB 107				
City:	Denali	State:	Alaska	ZIP:	99755

Residency of Agent:

Yes No

Is your corporation or LLC's registered agent an individual resident of the state of Alaska?

☒ ☐

Section 5 – Other Licenses

Ownership and financial interest in other alcoholic beverage businesses:

Yes No

Does any representative or owner named in this application have any direct or indirect financial interest in any other alcoholic beverage business that does business in or is licensed in Alaska?

☒ ☐

If "Yes", disclose which individual(s) has the financial interest, what the type of business is, and if licensed in Alaska, which license number(s) and license type(s):

#4946 49th State Brewing Company-Brewpub
#671 49th State Brewing Company-BDL
#3370 McKinley Denali Salmon Bake-Seasonal Tourist
#5297 The Overlook-Seasonal Tourist
#4938 Prospectors Pizza-RDP

Section 6 – Authorization

Communication with AMCO staff:

Yes No

Does any person other than a licensee named in this application have authority to discuss this license with AMCO staff?

☒ ☐

If "Yes", disclose the name of the individual and the reason for this authorization:

Amanda Shawcross, Law Offices of Ernouf & Coffey, P.C., Legal Counsel





Alaska Alcoholic Beverage Control Board

Form AB-00: New License Application

Section 7 – Certifications

Read each line below, and then sign your initials in the box to the right of each statement:

Initials

I certify that all proposed licensees (as defined in AS 04.11.260) and affiliates have been listed on this application.



I certify that all proposed licensees have been listed with the Division of Corporations.



I certify that I understand that providing a false statement on this form or any other form provided by AMCO is grounds for rejection or denial of this application or revocation of any license issued.



I certify that all licensees, agents, and employees who sell or serve alcoholic beverages or check the identification of a patron will complete an approved alcohol server education course, if required by AS 04.21.025, and, while selling or serving alcoholic beverages, will carry or have available to show a current course card or a photocopy of the card certifying completion of approved alcohol server education course, if required by 3 AAC 304.465.



I agree to provide all information required by the Alcoholic Beverage Control Board in support of this application.



As an applicant for a liquor license, I declare under penalty of perjury that I have read and am familiar with AS 04 and 3 AAC 304, and that this application, including all accompanying schedules and statements, is true, correct, and complete.

Signature of licensee

Jason Motyka - NHG - Secretary
Printed name of licensee

Signature of Notary Public

Notary Public in and for the State of Alaska

My commission expires: 10.24.19



Subscribed and sworn to before me this 9 day of February, 2017.

Banquet Room East





Alaska Alcoholic Beverage Control Board

Form AB-03: Restaurant Designation Permit Application**What is this form?**

A restaurant designation permit application is required for a licensee desiring designation under 3 AAC 304.715 – 3 AAC 304.795 as a bona fide restaurant, hotel, or eating place for purposes of AS 04.16.010(c) or AS 04.16.049. Designation will be granted only to a holder of a beverage dispensary, club, recreational site, golf course, or restaurant or eating place license, and only if the requirements of 3 AAC 304.305, 3 AAC 304.725, and 3 AAC 304.745, as applicable, are met. A detailed floor plan of the proposed designated and undesignated areas of the licensed business and a menu or expected menu listing the meals to be offered to patrons must accompany this form. Applicants should review AS 04.16.049 – AS 04.16.052 and 3 AAC 304.715 – 3 AAC 304.795. All fields of this form must be completed. The required \$50 permit fee may be made by credit card, check, or money order.

Section 1 – Establishment Information

Enter information for licensed establishment.

Licensee:	Northern Hospitality Group Inc.-Christensen Drive Level Banquet Room East Bar				
License Type:	Beverage Dispensary License/ Duplicate	License Number:	4058		
Doing Business As:	49TH State Brewing-Christensen Drive Level Banquet Room East Bar				
Premises Address:	717 West 3rd Ave				
City:	Anchorage	State:	Ak	ZIP:	99501
Contact Name:	Jason Motyka	Contact Phone:	907-229-5151		

Section 2 – Type of Designation Requested

This application is for the request of designation as a bona fide restaurant, hotel, or eating place for purposes of AS 04.16.010(c) or AS 04.16.049, and for the request of the following designation(s) (check all that apply):

- ☒ Dining after standard closing hours: AS 04.16.010(c)
- ☒ Dining by persons 16 – 20 years of age: AS 04.16.049(a)(2)
- ☒ Dining by persons under the age of 16 years, accompanied by a person over the age of 21: AS 04.16.049(a)(3)
- ☒ Employment for persons 16 or 17 years of age: AS 04.16.049(c)

NOTE: Under AS 04.16.049(d), this permit is not required to employ a person 18 - 20 years of age.

OFFICE USE ONLY					
Issue Date:		Transaction #:		BRE:	



Alaska Alcoholic Beverage Control Board

Form AB-03: Restaurant Designation Permit Application

Section 3 – Additional Information

Enter all hours that your establishment intends to be open. Include variances in weekend/weekday hours, and indicate am/pm:

11am-1am

Are any forms of entertainment offered or available within the licensed business or on the proposed designated portions of the premises?

Yes
☒

No
☐

If "Yes", describe the entertainment offered or available:

Private events, live music, various theater and performances.

Food and beverage service offered or anticipated is:

☒

table service

☒

buffet service

☒

counter service

☐

other

If "other", describe the manner of food and beverage service offered or anticipated:

Is an owner, manager, or assistant manager 21 years of age or older always present on the premises during business hours?

Yes
☒

No
☐

Blueprints, CAD drawings, or other clearly drawn and marked diagrams may be submitted in lieu of the third page of this form.

I have attached blueprints, CAD drawings, or other supporting documents in addition to, or in lieu of, the third page of this form that meet the requirements of this form.

Yes
☒

No
☐



Alcohol and Marijuana Control Office

550 W 7th Avenue, Suite 1600

Anchorage, AK 99501

alcohol.licensing@alaska.gov

<https://www.commerce.alaska.gov/web/amco>

Phone: 907.269.0350

Alaska Alcoholic Beverage Control Board

Form AB-03: Restaurant Designation Permit Application

Section 4 – Detailed Floor Plan

Provide a detailed floor plan that meets the requirements listed in Form AB-01 and clearly indicates the proposed designated and undesignated areas of the licensed business for purposes of this permit application.



Alaska Alcoholic Beverage Control Board

Form AB-03: Restaurant Designation Permit Application

Section 5 – Certifications and Approvals

Read each line below, and then sign your initials in the box to the right of each statement:

Initials

I have included with this form a detailed floor plan of the proposed designated and undesignated areas of the licensed business for purposes of this application. I understand that this diagram is different than my licensed premises diagram.

h

I have included with this form a menu, or an expected menu, listing the meals to be offered to patrons.

h

I certify that the license for which I am requesting designation is either a beverage dispensary, club, recreational site, golf course, or restaurant or eating place license.

h

I declare under penalty of perjury that this form, including all attachments and accompanying schedules and statements, is true, correct, and complete.

[Signature]
Signature of licensee

Jason Motyka - NHG
Printed name of licensee

Jason M. Jones
Signature of Notary Public

Notary Public in and for the State of 10.24.19

My commission expires: Alaska

Subscribed and sworn to before me this 17 day of March, 2017.

Local Government Review (to be completed by an appropriate local government official):

Approved

Disapproved



Signature of local government official

Date

Printed name of local government official

Title



Alaska Alcoholic Beverage Control Board

Form AB-03: Restaurant Designation Permit Application

AMCO Enforcement Review:

Signature of AMCO Enforcement Supervisor

Printed name of AMCO Enforcement Supervisor

Enforcement Recommendations:

AMCO Director Review:

Approved

Disapproved

☐☐

Signature of AMCO Director

Printed name of AMCO Director

Date

Limitations:



Alaska Alcoholic Beverage Control Board

Form AB-07: Public Notice Posting Affidavit**What is this form?**

A public notice posting affidavit is required for all liquor license applications. An applicant must give notice of a liquor license application to the public by posting a true copy of the **Form AB-00** (new licenses) or **Form AB-01** (license transfers) for ten (10) days at the location of the proposed licensed premises and one other conspicuous location in the area of the proposed premises, per AS 04.11.310 and 3 AAC 304.125. The public notice must be given within the 60 days immediately preceding filing of the application.

This form must be completed and submitted to AMCO's main office before any license application will be considered complete.

Section 1 – Establishment Information

Enter information for the business seeking to be licensed, as identified on the license application.

Licensee:	Northern Hospitality Group Inc.				
License Type:	Beverage Dispensary License/Duplicate				
Doing Business As:	49TH State Brewery				
Premises Address:	717 West 3rd Ave				
City:	Anchorage	State:	AK	ZIP:	99501

Section 2 – Certification

I certify that I have met the public notice requirement set forth under AS 04.11.310 by posting a copy of my application for the following 10-day period at the location of the proposed licensed premises and at the following conspicuous location in the area of the proposed premises:

Start Date: 2/09/2017End Date: 2/21/2017Other conspicuous location: Carrs on Gambell

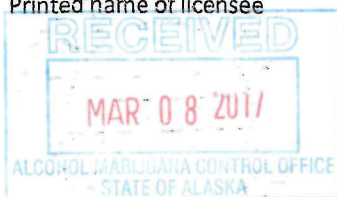
I declare under penalty of perjury that this form, including all accompanying schedules and statements, is true, correct, and complete.

[Signature] - NHG-Treasurer
Signature of licensee

[Signature]
Signature of Notary Public

Northern Hospitality Group Inc.

Printed name of licensee

Notary Public in and for the State of Alaska
3rd Judicial DistrictMy commission expires: 10-24-19Subscribed and sworn to before me this 3 day of March, 2017.



Alaska Alcoholic Beverage Control Board

Form AB-09: Statement of Financial Interest

What is this form?

A statement of financial interest is required for all liquor license applications, per 3 AAC 304.105(b)(3). A person other than a licensee may not have a direct or indirect financial interest (as defined in AS 04.11.450(f)) in the business for which a liquor license is issued, per AS 04.11.450.

This form must be completed and submitted to AMCO's main office before any license application will be considered complete.

Section 1 – Establishment Information

Enter information for the business seeking to be licensed, as identified on the license application.

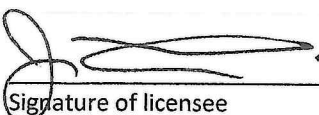
Licensee:	Northern Hospitality Group Inc.				
License Type:	Beverage Dispensary License/ Duplicate	EIN:	81-0961085		
Doing Business As:	49TH State Brewery				
Premises Address:	717 West 3rd Ave				
City:	Anchorage	State:	AK	ZIP:	99501

Section 2 – Certifications

The sole proprietor or entity listed above certifies that no person other than a proposed licensee listed on the liquor license application has a direct or indirect financial interest, as defined in AS 04.11.450(f), in the business for which a liquor license is being applied for.

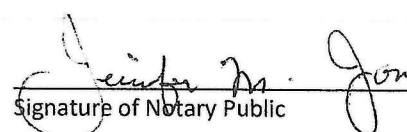
The sole proprietor or entity listed above additionally certifies that any ownership change shall be reported to the board as required under AS 04.11.040, AS 04.11.045, AS 04.11.050, and AS 04.11.055.

I, as the sole proprietor or as an officer or stakeholder of the entity listed above, declare under penalty of perjury that this form, including all accompanying schedules and statements, is true, correct, and complete.

 NHG-Treasurer
Signature of licensee

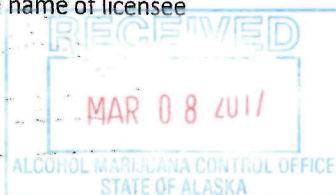
Northern Hospitality Group Inc.

Printed name of licensee


Signature of Notary Public

Notary Public in and for the State of Alaska
3rd Judicial District

My commission expires: 10-24-19



Subscribed and sworn to before me this 3 day of March, 2017.

Department of Commerce, Community, and Economic Development
**Division of Corporations, Business and Professional
Licensing**

State of Alaska > Commerce > Corporations, Business, & Professional Licensing > Corporations Search

NAME(S)

Type	Name
Legal Name	Last Frontier Real Estate, LLC

ENTITY DETAILS

Entity Type: Limited Liability Company
Entity #: 10034739
Status: Non-Compliant
AK Formed Date: 1/8/2016
Duration/Expiration: Perpetual
Home State: ALASKA
Next Biennial Report Due: N/A [File Initial Report](#)
Entity Mailing Address: PO BOX 107, DENALI PARK, AK 99755
Entity Physical Address: MILE 238 S. PARKS HIGHWAY, DENALI PARK, AK 99755

REGISTERED AGENT

Agent Name: Jason Motyka
Registered Mailing Address: PO BOX 107, DENALI PARK, AK 99755
Registered Physical Address: MILE 238 S. PARKS HIGHWAY, DENALI PARK, AK 99755

OFFICIALS

AK Entity#	Name	Titles	Percent Owned
	Daniel J. McCarthy	Organizer	

FILED DOCUMENTS

Date Filed	Type	Filing	Certificate
1/8/2016	Creation Filing		

Juneau Mailing Address

P.O. Box 110806
Juneau, AK 99811-0806

Physical Address

333 Willoughby Avenue
9th Floor
Juneau, AK 99801-1770

Phone Numbers

Main Phone: (907) 465-2550
FAX: (907) 465-2974

Anchorage Mailing/Physical Address

550 West Seventh Avenue
Suite 1500
Anchorage, AK 99501-3567

Phone Numbers

Main Phone: (907) 269-8160
FAX: (907) 269-8156

State of Alaska
Department of Commerce, Community, and Economic Development
Corporations, Business, and Professional Licensing

Certificate of Incorporation

The undersigned, as Commissioner of Commerce, Community, and Economic Development of the State of Alaska, hereby certifies that a duly signed and verified filing pursuant to the provisions of Alaska Statutes has been received in this office and has been found to conform to law.

ACCORDINGLY, the undersigned, as Commissioner of Commerce, Community, and Economic Development, and by virtue of the authority vested in me by law, hereby issues this certificate to

Northern Hospitality Group, Inc.



IN TESTIMONY WHEREOF, I execute the certificate
and affix the Great Seal of the State of Alaska
effective December 02, 2015.

Chris Hladick
Commissioner



NET LEASE

717 W. 3rd Avenue
Anchorage, Alaska 99501

LANDLORD: LAST FRONTIER REAL ESTATE, LLC

TENANT: NORTHERN HOSPITALITY GROUP, INC.



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EXHIBIT A – WORK AGREEMENT



NET LEASE

1. BASIC LEASE PROVISIONS

A. Premises:

717 W. 3rd Avenue
Anchorage, Alaska 99501

B. Landlord Information:

Last Frontier Real Estate, LLC

General Correspondence and
Rent Payment Address:
Last Frontier Real Estate, LLC
Jason S. Motyka
PO Box 107
Denali Park, AK 99755

C. Tenant and Address:

Northern Hospitality Group, Inc.
717 W. 3rd Avenue
Anchorage, Alaska 99501

D. Date of Lease: January 1, 2016

E. Lease Term: Five (5) Year(s) from the
Commencement Date of Term

F. Commencement Date of Term: January 1,
2016

G. Expiration Date of Term: December 31, 2021,
unless sooner terminated in accordance with the terms of this
Lease.

H. Annual Base Rent:

Period	Monthly Installment	Annual Base Rent
1/1/2016 – 5/31/2016	Abated	Abated
6/1/2016 – 12/31/2016	\$20,000.00	\$120,000.00
1/1/2017 – 12/31/2017	\$20,000.00	\$240,000.00
1/1/2018 – 12/31/2018	\$20,000.00	\$240,000.00
1/1/2019 – 12/31/2019	\$20,000.00	\$240,000.00
1/1/2020 – 12/31/2020	\$20,000.00	\$240,000.00
1/1/2021 – 12/31/2021	\$20,000.00	\$240,000.00

I. Premises Size (Rentable Area): Not applicable.

Tenant's Proportionate Share: 100%

J. Security Deposit: None.

K. Tenant's Permitted Use: Full service restaurant
and brewery and ancillary uses related thereto.

L. Broker: None

M. Guarantor(s): None

N. Exhibits:

Exhibit A – Work Agreement

2. **LEASING AGREEMENT.** Landlord leases to
Tenant, and Tenant leases from Landlord, the premises (the
"Premises") including all buildings (the "Building") located at
717 W. 3rd Avenue, Anchorage, Alaska 99501. For purposes of
this Lease, the term "Project" shall mean the Building of which
the Premises are a part, together with all other improvements
and betterments made a part of the real property on which the
Building is situated. The term of this Lease (the "Term") shall
commence (the "Commencement Date") as of January 1, 2016
and shall continue for a period of five (5) year(s) until
December 31, 2021 (the "Expiration Date"), unless terminated
earlier as provided in this Lease. The term "rentable area" shall
mean, as the context so requires, the rentable area of the
Building and/or the Premises as calculated by the Landlord on
the basis of the plans and specifications of the Building,
including, if applicable, any common areas or a proportionate
share thereof, as the case may be. Tenant hereby accepts and
agrees to be bound by the figures for the rentable square
footage of the Premises and Tenant's Proportionate Share set
forth in Section 1.I.; however, Landlord may adjust such figure
and Tenant's Proportionate Share if there is manifest error,
addition or subtraction to the Building, re-measurement or
other circumstance reasonably justifying adjustment.

3. POSSESSION, USE AND ENJOYMENT.

A. **Possession and Use of Premises.** Tenant shall
be entitled to possession of the Premises as of Commencement
Date. Tenant shall occupy and use the Premises for those
purposes set forth in Section 1.K. and for no other purposes. If
for any reason Landlord does not deliver possession of the
Premises to Tenant on the Commencement Date, Landlord
shall not be subject to any liability for such failure. Tenant
shall not occupy or use the Premises or permit the use or
occupancy of the Premises for any purpose or in any manner
which:

(i) is in violation of any applicable statute, law,
ordinance or governmental requirement or rule;

(ii) may be dangerous to persons or property;

(iii) may invalidate or increase the amount of
premiums for any policy of insurance affecting the Building or
the Project, and if any additional amounts of insurance
premiums are so incurred, Tenant shall pay to Landlord the
additional amounts on demand; or

(iv) may create a nuisance, disturb any other tenant
of the Building or the occupants of neighboring property or
injure the reputation of the Building.



B. **Quiet Enjoyment.** Provided that Tenant is not in default under this Lease, Tenant shall be entitled to peaceful and quiet enjoyment of the Premises, subject to the terms of this Lease.

4. **BASE RENT.** Tenant shall pay to Landlord base rent ("Base Rent") during the Term at the annual rate stated in Section 1.H. Base Rent shall be payable in equal monthly installments in advance on the first day of each calendar month during the Term, except that if the Commencement Date is not the first day of the month, a prorated installment of Base Rent based on the actual number of days in the month shall be paid for the fractional month during which the Term commences.

5. **TENANT'S SHARE OF PROJECT COSTS.**

A. **Project Operating Costs.** The term "Project Operating Costs" shall include those items described in the following Subsections:

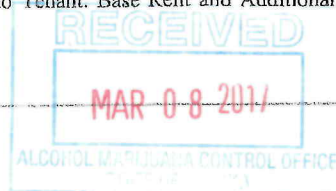
(1) All expenses, costs, fees and disbursements paid or incurred by or on behalf of Landlord for owning, managing, operating, maintaining and repairing the Building and the Project, together with the personal property and equipment used in connection with the Building or the Project. For purposes of this Subsection, Landlord's expenses include, but are not limited to, the total costs of utilities, water and sewerage charges except to the extent separately metered to Tenant; expenses of landscaping, maintenance (including cleaning, painting and line painting in the parking areas), paving, site lighting, sanitary control, snow removal, trash and refuse disposal; expenses for heating, ventilating and air conditioning ("HVAC") of the common areas of the Building, if any (the "Common Areas"); all costs for insurance coverages maintained by Landlord for the Building or the Project, including public liability, personal and bodily injury and property damage, fire and extended coverage, vandalism and malicious mischief and all broad form coverages and sign insurance of Landlord, all in limits and with deductibles determined by Landlord; and the costs of fire protection.

(2) Real estate taxes, assessments (whether they be general or special), sewer rents and charges, transit taxes, taxes based upon the receipt of rent and any other federal, state or local government charge, general, special, ordinary or extraordinary (but not including income or franchise taxes, capital stock, inheritance, estate, gift, or any other taxes imposed upon or measured by Landlord's income or profits, unless the same shall be imposed in lieu of real estate taxes or other ad valorem taxes), which Landlord shall pay or become obligated to pay in connection with the Building or the Project. Taxes shall include all fees and costs, including attorneys' fees, appraisals and consultant's fees, incurred by Landlord in seeking to obtain a reduction of, or a limit on the increase in, any Taxes, regardless of whether any reduction or limitation is obtained. Taxes for any calendar year shall be Taxes which are due for payment or paid in such year rather than Taxes which are assessed or become a lien during such year. Taxes shall also include any personal property taxes imposed upon the furniture, fixtures, machinery, equipment, apparatus, systems and appurtenances of Landlord used in connection with the Project or the Building.

B. **Additional Rent.** Tenant shall pay to Landlord as Additional Rent during the Term Tenant's Proportionate Share of all Project Operating Costs for the Project of which the Premises are a part, Tenant's Proportionate Share of which is specified in Section 1.I. hereof. Tenant shall make payments of its Proportionate Share of the Project Operating Costs for each calendar year occurring entirely or partially within the Lease Term. Landlord shall from time to time estimate the total Project Operating Costs described herein during each calendar year, and Tenant shall pay one-twelfth (1/12th) of Landlord's estimate in equal monthly installments, which shall be due and payable at the time for payment of Base Rent. After the end of each calendar year and after Landlord shall have determined the actual amounts of Project Operating Costs for such calendar year, Landlord shall furnish Tenant a statement ("Landlord's Statement") of Project Operating Costs. If Tenant's Proportionate Share of Project Operating Costs for the calendar year exceeds the payments paid by Tenant to Landlord for such calendar year, then Tenant shall pay to Landlord within thirty (30) days after the date of Landlord's Statement, an amount equal to such excess. If the payments paid by Tenant to Landlord for such calendar year exceed the sum of Project Operating Costs owed for such calendar year, then Landlord shall credit such excess to Rent payable after the date of Landlord's Statement until such excess is exhausted. If this Lease shall expire or terminate prior to full application of such excess, Landlord shall pay to Tenant the unapplied balance that is not reasonably required for payment of Tenant's Proportionate Share of Project Operating Costs for the calendar year in which the Lease expires or terminates. No interest or penalties shall accrue on any amounts which Landlord is obligated to credit or pay to Tenant by reason of this Section. Unless Tenant shall take written exception to any item shown in any Landlord's Statement within ten (10) days after the date Landlord's Statement is rendered, Landlord's Statement shall be considered as final and conclusively binding upon Tenant. Any delay by Landlord delivering any estimate or statement pursuant to this Section shall not relieve Tenant of its obligations pursuant to this Section. Until Tenant's receipt of such statement or estimate for any year, Tenant shall pay the same Operating Expense amount as Tenant paid for the previous period.

C. **Survival.** The obligations of Tenant to pay Tenant's Proportionate Share of Project Operating Costs for the calendar year provided for in this Section 5 shall survive the expiration or termination of this Lease. Tenant shall pay any adjustment for actual Project Operating Costs owing to Landlord within fifteen (15) days after the date of Landlord's Statement for the calendar year in which this Lease expires or terminates.

D. **Payment of Rent.** All charges, costs and sums required to be paid by Tenant under this Lease in addition to Base Rent shall be considered "Additional Rent" payable to Landlord hereunder, and Base Rent, Additional Rent and other charges shall be collectively called "Rent." Rent shall be payable without demand, notice, offset or deduction, except as otherwise specifically stated in this Lease. All Rent due under this Lease shall be paid by check payable to the order of Landlord or the managing agent ("Manager") designated from time to time by Landlord. All Rent shall be mailed or delivered to Landlord at the office of the Manager, or in such other manner or at such other place as Landlord may from time to time designate to Tenant. Base Rent and Additional Rent will



be prorated for partial months or years within the Term. Tenant's covenant to pay Rent shall be independent of every other covenant in this Lease.

E. Late Payment Fees and Interest. If Tenant fails to pay when due any Rent or other amounts or charges which Tenant is obligated to pay under the terms of this Lease, Tenant shall pay Landlord a late payment penalty of the greater of ONE HUNDRED AND NO/100THS (\$100.00) DOLLARS or two (2%) percent of such amount or charge not timely paid. In addition to the foregoing, in the event such Rent or other amounts or charges owing by Tenant are more than fifteen (15) days past due, all such amounts shall bear interest at the monthly rate of 2%, until paid in full. Acceptance of any interest or late charge shall not constitute a waiver of Tenant's default with respect to such nonpayment by Tenant nor prevent Landlord from exercising any other rights or remedies available to Landlord under this Lease or by law.

6. INTENTIONALLY OMITTED.

7. SERVICES.

A. Landlord's Services. Landlord shall not be required to provide any services to the Tenant.

B. Tenant's Utilities. Electricity and gas shall not be furnished by Landlord to the Premises, but shall be furnished by the approved electric and gas utility companies serving the Building. Landlord shall permit Tenant to receive such services directly from such utility companies at Tenant's cost. Tenant shall make all necessary arrangements with the utility companies for metering and paying for electric current and gas furnished by the utility companies to the Premises, and Tenant shall pay for all charges for electric current and gas consumed in the Premises. All electricity used during the performance of janitor service, or the making of any alterations or repairs in the Premises, or the operation of any special air-conditioning systems which may be required for the telephone or data processing equipment, or for other special equipment or machinery installed by Tenant, shall be paid for by Tenant. Tenant agrees to purchase from Landlord all lamps, bulbs, ballasts and starters used in the Premises after the initial installation of same, which shall be installed by Landlord at Tenant's expense. Tenant shall make arrangements directly with the telephone company servicing the Building for such telephone service in the Premises desired by Tenant and the cost of all such telephone service (including the cost of installing all wires and cables) shall be paid for by Tenant. If Tenant desires telegraphic, burglar alarm, computer installation or signal service, Landlord shall, upon request of Tenant, direct where and how all connections for such service shall be introduced and run. In the absence of such directions, Tenant shall make no borings, cutting or installation of wires or cables in or about the Premises. The cost of all such installations and service shall be paid for by Tenant.

C. Additional Services. Landlord shall in no event be obligated to furnish any services or utilities, other than those stated in Section 7.A. If Landlord elects to furnish services or utilities requested by Tenant in addition to those stated in Section 7.A. (including utility services at times other than those stated in Section 7.A.), Tenant shall pay Landlord's then prevailing charges for such services and utilities within

ten (10) days after receipt of Landlord's statements. If Tenant shall fail to make any such payment, Landlord may, without notice to Tenant and in addition to all other remedies available to Landlord, discontinue any or all of the additional services. No discontinuance of any service under this Section 7.D. shall result in any liability of Landlord to Tenant or be considered as an eviction or a disturbance of Tenant's use of the Premises.

D. Delays in Furnishing Services. Landlord shall not be in default hereunder or be liable for any damages directly or indirectly resulting from, nor shall the Rent be abated by reason of (i) the installation, use or interruption of use of any equipment in connection with the furnishing of any of the foregoing services, (ii) failure to furnish or delay in furnishing any such services where such failure or delay is caused by accident or any condition or event beyond the reasonable control of Landlord, or by the making of necessary repairs or improvements to the Premises, the Building or Project, or (iii) the limitation, curtailment or rationing of, or restrictions on, use of water, electricity, gas or any other form of energy serving the Premises, the Building or Project. Landlord shall not be liable under any circumstances for a loss of or injury to property or business, however occurring, through or in connection with or incidental to failure to furnish any such services. If Tenant uses heat generating machines or equipment in the Premises which affect the temperature otherwise maintained by the HVAC system, Landlord reserves the right to install supplementary air conditioning units in the Premises and the cost thereof, including the cost of installation, operation and maintenance thereof, shall be paid by Tenant to Landlord upon demand by Landlord. Tenant shall not, without the written consent of Landlord, use any apparatus or device in the Premises, which consumes more electricity or water than is usually furnished or supplied for the use of the Premises as general office space, as determined by Landlord.

8. CONDITION OF THE PREMISES. Tenant's taking possession of the Premises shall be deemed conclusive evidence that as of the date of taking possession the Premises are in good order and satisfactory condition.

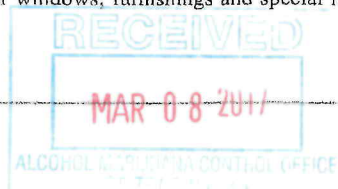
9. CONSTRUCTION, REPAIRS AND MAINTENANCE.

A. Landlord's Obligations. Landlord shall perform Landlord's Work, if any, to the Premises as described in Exhibit "A". Landlord shall maintain in good order, condition and repair the Project and all other portions of the Premises not the obligation of Tenant or any other tenant in the Building, the costs and expenses of which shall be included in Project Operating Costs.

B. Tenant's Obligations.

(1) Subject to Landlord's rights as stated in Section 11.A., Tenant shall pay for the agreed cost of Tenant's Work, if any, to the Premises as described in Exhibit "a", which work shall be performed by contractors selected by Landlord.

(2) Tenant shall, except for services furnished by Landlord pursuant to Section 7 hereof, notify Landlord of maintenance or repairs necessary to the Premises to maintain the Premises in good order, condition and repair, including the interior surfaces of the ceilings, walls and floors, all doors, all interior windows, furnishings and special items and equipment



installed by or at the expense of Tenant, which maintenance or repair work shall, at Landlord's election, either (i) be performed by contractors selected by Landlord and for which Tenant shall pay Landlord within ten (10) days of receipt of an invoice for said work or (ii) be performed by Tenant in accordance with Section 11.

(3) In addition, Tenant shall be responsible, at its sole cost and expense, for all repairs and alterations in and to the Premises, the Building and Project and the facilities and systems thereof, the need for which arises out of (i) Tenant's use or occupancy of the Premises, (ii) the installation, removal, use or operation of Tenant's Property (as defined in Section 10) in the Premises, (iii) the moving of Tenant's Property into or out of the Building, or (iv) the act, omission, misuse or negligence of Tenant, its agents, contractors, employees or invitees.

(4) If Tenant fails to notify Landlord of maintenance and repairs necessary to maintaining the Premises in good order, condition and repair, Tenant shall be considered in default hereunder.

(5) Tenant shall not make or perform any of the repairs stated in this Section 9.B. unless Tenant has received Landlord's prior written consent thereto, and then only in accordance with Section 11.

C. Compliance with Law. Landlord and Tenant shall each do all acts required to comply with all applicable laws, ordinances and rules of any public authority relating to their respective maintenance obligations as set forth herein.

D. Landlord's Repair Liability. Except as otherwise expressly provided in this Lease, Landlord shall have no liability to Tenant nor shall Tenant's obligations under this Lease be reduced or abated in any manner whatsoever by reason of any inconvenience, annoyance, interruption or injury to business arising from Landlord's making any repairs or changes which Landlord is required or permitted by this Lease or by any other tenant's lease or required by law to make in or to any portion of the Project.

10. LEASEHOLD IMPROVEMENTS; TENANT'S PROPERTY. All fixtures, equipment, improvements and appurtenances attached to or built into the Premises at the commencement of or during the Term, whether or not by or at the expense of Tenant ("Leasehold Improvements"), shall be and remain a part of the Premises, shall be the property of Landlord and shall not be removed by Tenant, except as otherwise expressly provided in this Lease or if Landlord by written notice to Tenant, requires Tenant, at its expense, to remove any or all Leasehold Improvements, in which case Tenant shall repair any damage to the Premises or Building caused by such removal. All movable partitions, business and trade fixtures, machinery and equipment, communications equipment and office equipment located in the Premises and acquired by or for the account of Tenant, without expense to Landlord, which can be removed without structural damage to the Building, and all furniture, furnishings and other articles of movable personal property owned by Tenant and located in the Premises (collectively "Tenant's Property") shall be and shall remain the property of Tenant and may be removed by Tenant at any time during the Term; provided that if any of Tenant's Property is removed, Tenant shall promptly repair

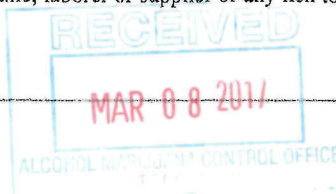
any damage to the Premises or to the Project resulting from such removal. At the end of the Term, Tenant shall remove all of Tenant's Property and shall promptly repair any damage to the Premises or to the Project resulting from such removal. Any Tenant's Property not so removed may, without limiting or affecting any other rights or remedies of Landlord herein or otherwise, at Landlord's option: (i) become the property of Landlord with this Lease serving as a bill of sale without payment or credit to Tenant; or (ii) without accepting title to same, be removed, stored, discarded or otherwise disposed of by Landlord at Tenant's expense without incurring liability to Tenant or any other person, it being conclusively presumed that such property had been forever abandoned.

11. ALTERATIONS.

A. Approvals. Without Landlord's prior written consent, Tenant shall not make or cause to be made any alterations, improvements, additions, changes, replacements or repairs (collectively, an "alteration"), in or to the Premises. As a condition to granting its consent to any alteration, Landlord may impose reasonable requirements, including, without limitation, requirements as to the manner and time for the performance of such alteration and the type and amount of insurance and bonds Tenant must acquire and maintain during the course of performance of such alteration. In addition, Landlord shall have the right to: approve the contractors or mechanics performing the alteration; approve all plans and specifications for the alteration; and control any construction or other activities being undertaken within the Building, with Landlord to be reimbursed by Tenant for any costs incurred in connection with such review and/or control; and order reasonable changes in such alteration in instances in which materials or workmanship is defective or not in accordance with plans or specifications previously approved by Landlord. Tenant shall pay the entire cost of any alteration and, if requested by Landlord, shall deposit with Landlord prior to commencement of such alteration, funds or other security acceptable to Landlord covering the full cost of such alteration. Each alteration shall become the property of Landlord when made and shall be surrendered with the Premises upon the expiration or termination of this Lease; provided, however, notwithstanding anything to the contrary in this Lease, Landlord may, by written notice to Tenant, require Tenant, at its expense, to remove any or all alterations and repair any damage to the Premises or Building caused by such removal, prior to the expiration or termination of this Lease.

B. Compliance with Laws. Each alteration shall be performed in a good and workmanlike manner using new grades of materials; in full compliance with all applicable laws, ordinances and governmental regulations, rules and requirements; and in full compliance with all insurance rules, orders, directions, regulations and requirements.

C. No Liens. Before any alteration is commenced, Tenant shall give Landlord at least fifteen (15) days' prior written notice of same. Tenant, at its expense, shall procure and deliver to Landlord a completion and lien indemnity bond satisfactory to Landlord for such alteration, and during the course of performance of such alteration, Tenant shall, upon Landlord's request, furnish Landlord with sworn contractor's statements and lien waivers covering all work previously performed. Tenant shall not permit any lien or claim for lien of any mechanic, laborer or supplier or any lien to be filed against



the Building or the Project, or any part thereof arising out of work performed, or alleged to have been performed by, or at the direction of, or on behalf of Tenant.

12. ASSIGNMENT AND SUBLETTING.

A. **Consent.** Tenant shall not, without the prior written consent of Landlord in each instance:

(i) assign, mortgage, pledge, hypothecate or otherwise transfer or permit the transfer of this Lease or the interest of Tenant in this Lease, in whole or in part, by operation of law or otherwise;

(ii) sublet all or any part of the Premises; or

(iii) permit the use or occupancy of all or any part of the Premises for any purpose not permitted under Section 1.K., or by anyone other than Tenant and Tenant's employees.

For purposes of this Section 12.A., an "assignment" shall be considered to include the following, whether accomplished directly or indirectly: (a) if Tenant is a partnership, the withdrawal or change, voluntary, involuntary or by operation of law, of a majority of the partners, or a transfer of a majority of partnership interests, in the aggregate on a cumulative basis, or the dissolution of the partnership, and (b) if Tenant is a closely held corporation or limited liability company or other like entity (i.e., whose stock or interest is not publicly held and not traded through an exchange or over the counter), the: (i) dissolution, merger, consolidation or other reorganization of Tenant, (ii) sale or other transfer of more than a cumulative aggregate of 50% of the voting shares or interests of Tenant (other than to immediate family members by reason of gift or death) or (iii) sale, mortgage, hypothecation or pledge of more than a cumulative aggregate of 50% of Tenant's net assets.

B. **No Waiver.** Consent by Landlord to any assignment, subletting, transfer, lien, charge, use or occupancy, shall not operate as a waiver by Landlord of, or to release or discharge Tenant from, any liability under this Lease, whether past, present or future (including liability arising during any renewal term of this Lease or with respect to any expansion space included in the Premises), or be considered to be a consent to or relieve Tenant from obtaining Landlord's consent to any subsequent assignment, subletting, transfer, lien, charge, use or occupancy. Tenant shall pay Landlord's reasonable costs, charges and expenses, including attorneys' fees, incurred in connection with its review of any proposed assignment or proposed sublease, whether or not Landlord approves such transfer of interest.

13. WAIVER, INDEMNITY AND SUBROGATION.

A. **Waiver.** To the extent permitted by law, Tenant waives all claims against Landlord, the Manager and their respective officers, partners, agents and employees, for injury or damage to property sustained by Tenant and resulting directly or indirectly from fire or other casualty, cause or any existing or future condition, defect, matter or thing in or about the Premises, the Building or the Project, or from any equipment or appurtenance in the Building, or from any accident in or about the Building or the Project, or from any act or neglect of Landlord or any tenant or other occupant of

the Building or the Project or of any other person. This Section shall apply especially, but not exclusively, to damage caused by water, snow, frost, steam, excessive heat or cold, sewerage, gas, odors or noise, or the bursting or leaking of pipes or plumbing fixtures, broken glass, sprinkling or air conditioning devices or equipment, or flooding, and shall apply without distinction as to the person whose act or neglect was responsible for the damage and whether the damage was due to any of the acts specifically enumerated above, or from any other thing or circumstance, whether of a like nature or of a wholly different nature.

B. **Indemnity.** Tenant agrees to indemnify and hold harmless Landlord, the Manager and their respective officers, partners, agents, and employees, from and against any and all claims, demands, actions, liabilities, damages, costs and expenses (including attorney's fees), for injuries to all persons occurring in or about the Premises and arising from Tenant's occupancy of the Premises or the conduct of its business or from any activity, work, or thing done, permitted or suffered by Tenant in or about the Premises or the Building or due to any other act or omission of Tenant, its agents or employees. If any such proceeding is filed against Landlord or any such indemnified party, Tenant agrees to defend such proceeding at its sole cost by legal counsel reasonably satisfactory to Landlord, if requested by Landlord.

C. **Subrogation.** Whenever any loss, cost, damage or expense resulting from fire, explosion or any other casualty or occurrence (including negligence) is incurred by either of the parties to this Lease in connection with the Premises, the Building or the Project and such loss, cost, damage or expense is covered by insurance or is required to be covered by insurance under this Lease, then the party so damaged hereby releases the other party from any liability it may have on account of such loss, cost, damage or expense and waives any right of subrogation which might otherwise exist in or accrue to that party on account thereof, provided that such release of liability and waiver of the right of subrogation shall not be operative in any case where the effect thereof is to invalidate such insurance coverage or increase the cost thereof (provided that in the case of increased cost, the other party shall have the right, within thirty (30) days following written notice, to pay such increased cost and thereupon keeping such release and waiver in full force and effect).

14. LANDLORD'S REMEDIES.

A. **Events of Default.** Each of the following shall constitute an event of default by Tenant under this Lease:

(1) Tenant fails to pay any installment of Rent when due and fails to cure such default within five days after written notice to Tenant (which 5-day period shall run concurrently with and not be in addition to any statutory Landlord's notice required under Alaska law);

(2) Tenant fails to observe or perform any of the other covenants or provisions of this Lease to be observed or performed by Tenant and fails to cure such default within thirty (30) days after written notice to Tenant;

(3) The interest of Tenant in this Lease is levied upon under execution or other legal process;



(4) Tenant makes a general assignment for the benefit of creditors, or provides for an arrangement, composition, extension or adjustment with its creditors;

(5) A petition is filed by or against Tenant to declare Tenant bankrupt or seeking a plan of reorganization or arrangement under any Chapter of the Bankruptcy Code, or any amendment, replacement or substitution for such Code;

(6) If any proceeding or action in which Tenant is a party, a Trustee, receiver, operator or custodian is appointed to take charge of the Premises or Tenant's property for the purpose of enforcing a lien against the Premises or Tenant's Property;

(7) If Tenant is a partnership or consists of more than one person or entity, if any partner of the partnership or other person or entity is involved in any of the acts or events described in Subsections (3) through (6) above; or

(8) Tenant abandons the Premises.

B. Landlord's Remedies. Upon the occurrence of an event of default by Tenant under this Lease, Landlord, at its option, without further notice or demand to Tenant, may, in addition to all other rights and remedies provided in this Lease, or available to Landlord at law or in equity:

(1) Terminate this Lease and the Term created hereby, in which event Landlord may immediately repossess the Premises and shall be entitled to recover as damages a sum of money equal to the value of the Rent provided to be paid by Tenant for the balance of the Term, less the actual rent collected for said period, if any, and any other sum of money and damages owed by Tenant to Landlord, including costs of re-renting. Should the fair rental value exceed the value of the Rent provided to be paid by Tenant for the balance of the Term of the Lease, Landlord shall have no obligation to pay to Tenant the excess or any part thereof.

(2) Terminate Tenant's right of possession without terminating this Lease, and Landlord may repossess the Premises by forcible entry and detainer suit, by taking peaceful possession or otherwise, without demand or notice of any kind to Tenant, in which event Landlord may, but shall be under no obligation to, relet the same for the account of Tenant, for such Rent and upon such terms as shall be satisfactory to Landlord. For the purpose of reletting of the Premises by Landlord, Landlord is authorized to decorate or to make any repairs, changes, alterations, or additions in or to the Premises that may be necessary or convenient. If Landlord shall fail to relet the Premises, Tenant shall pay to Landlord as damages a sum equal to the amount of rental reserved in this Lease for the balance of its original Term. If the Premises are relet and a sufficient sum shall not be realized from such reletting after paying all of the costs and expenses of such decorations, repairs, changes, alterations and additions and the expenses of such reletting and of the collection of the rent accruing therefrom to satisfy the Rent provided for in this Lease, Tenant shall satisfy and pay any such deficiency upon demand therefor from time to time. Tenant agrees that Landlord may file suit to recover any sums failing due under the terms of this Section from time to time and that no suit or recovery of any portion due Landlord hereunder shall be any defense to any subsequent action

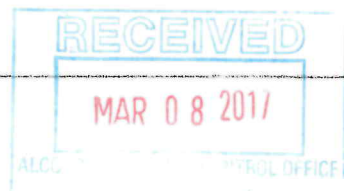
brought for any amount not theretofore reduced to judgment in favor of Landlord.

C. Bankruptcy. In the event a petition is filed by or against Tenant seeking a plan of reorganization or arrangement under the Federal Bankruptcy Code, Landlord and Tenant agree, to the extent permitted by law, that the trustee in bankruptcy shall determine within 60 days after commencement of the case, whether to assume or reject this Lease.

D. Attorney's Fees. Tenant shall pay upon demand, all costs and expenses, including attorney's fees paid or incurred by Landlord in connection with (i) any action or proceeding (including appeals) by Landlord to terminate this Lease or to terminate Tenant's right to possession of the Premises, (ii) any other action or proceeding (including appeals) by Landlord against Tenant, (iii) any default by Tenant under this Lease whether or not Landlord commences any action or proceeding against Tenant, (iv) any action or proceeding (including appeals) by Tenant against Landlord in which Tenant fails to obtain a final unappealable judgment against Landlord, (v) any amendment, modification or extension of this Lease (and any negotiations in such respect), (vi) any assignment, sublease or leasehold mortgage proposed or granted by Tenant (whether or not permitted under this Lease) and all negotiations in such respect, and (vii) any alterations of the Premises desired by Tenant and all negotiations in such respect. Tenant's obligations under this Subsection shall expressly survive the expiration or earlier termination of this Lease.

15. TENANT'S REMEDIES. If Landlord fails to perform any covenant, condition or agreement contained in this Lease within thirty (30) days after receipt of written notice from Tenant specifying such default, or if such default cannot reasonably be cured within thirty (30) days, if Landlord fails to commence to cure within that thirty (30) day period, then Landlord shall be liable to Tenant for any damages sustained by Tenant as a result of Landlord's breach; provided, however, it is expressly understood and agreed that if Tenant obtains a money judgment against Landlord resulting from any default or other claim arising under this Lease, that judgment shall be satisfied only out of the rents, issues, profits, and other income actually received on account of Landlord's right, title and interest in the Premises, Building or Project, and no other real, personal or mixed property of Landlord (or of any of the partners which comprise Landlord, if any) wherever situated, shall be subject to levy to satisfy such judgment. If, after notice to Landlord of default, Landlord (or any mortgagee or trustee of deed of trust beneficiary of Landlord) fails to cure the default as provided herein, then Tenant shall have the right to cure that default at Landlord's expense. Tenant shall not have the right to terminate this Lease or to withhold, reduce or offset any amount against any payments of Rent or any other charges due and payable under this Lease except as otherwise specifically provided herein.

16. SURRENDER OF PREMISES. Upon the expiration or termination of this Lease or termination of Tenant's right to possession of the Premises, Tenant shall surrender and vacate the Premises immediately and deliver possession of the Premises to Landlord in the same condition (including, without limitation, wall condition and color and floor covering(s)) as existed on the Commencement Date, and



in any case in a clean, good and tenantable condition, ordinary wear excepted, and otherwise in accordance with and pursuant to the other terms and conditions of this Lease. Upon any termination which occurs other than by reason of Tenant's default, Tenant shall be entitled to remove from the Premises all moveable trade fixtures and personal property of Tenant without credit or compensation from Landlord; provided, Tenant shall immediately repair all damage to the Premises or the Building resulting from such removal and shall restore the Premises to a tenantable condition. In the event possession of the Premises is not immediately delivered to Landlord or if Tenant shall fail to remove any moveable trade fixtures or personal property which Tenant is entitled to remove, Landlord may, in addition to any other rights or remedies afforded Landlord hereunder or at law or in equity, remove same without any liability to Tenant. Any moveable trade fixtures and personal property which may be removed from the Premises by Tenant but which are not so removed shall be conclusively presumed to have been abandoned by Tenant and title to such property shall pass to Landlord without any payment or credit, and Landlord may, at its option and at Tenant's expense, store and/or dispose of such property.

17. HOLDING OVER. Tenant shall pay Landlord double the Base Rent plus double the Additional Rent then applicable for each month or partial month during which Tenant retains possession of all or any part of the Premises after the expiration or termination of this Lease. Tenant shall indemnify, defend and hold harmless Landlord, the Manager and their respective officers, partners and employees from and against any and all claims, liabilities, actions, losses, damages and expenses (including attorneys' fees) asserted against or sustained by any such party and arising from or by reason of such retention of possession. The provisions of this Section shall not constitute a waiver by Landlord of any rights or remedies, including, without limitation, re-entry rights of Landlord available under this Lease or by law. If Tenant retains possession of all or any part of the Premises for thirty (30) days after the expiration or termination of this Lease, then at the sole option of Landlord expressed by written notice to Tenant, but not otherwise, such holding over shall constitute a renewal of this Lease for a period of one year commencing on the date such notice is given by Landlord and upon the same terms and conditions as are contained in this Lease, provided, however that Tenant shall pay Rent (including Base Rent and Additional Rent) for such one-year renewal term at a rate equal to one and one-half (1 1/2) times the Rent paid by Tenant during the last full month of this Lease.

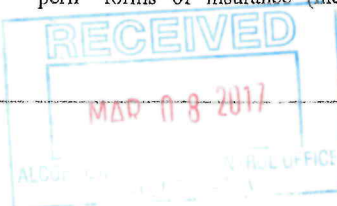
18. RULES AND REGULATIONS. Tenant shall abide by all reasonable rules and regulations adopted by Landlord from time to time for the operation and management of the Building. If any rules and regulations are contrary to the provisions of this Lease, the provisions of this Lease shall govern.

19. FIRE AND OTHER CASUALTY. If all or a substantial part of the Premises are rendered untenable by reason of fire or other casualty, or if the Building is damaged by fire or other casualty in such a manner as materially adversely affects access to or use of the Premises, Tenant shall with reasonable diligence take such action as is necessary to repair and restore the Premises and the Building; provided, however, that if the available proceeds of insurance are

insufficient to complete the repairs and restoration caused by such fire or other casualty, then Tenant shall be responsible for the difference in the cost to complete the repairs and restoration. Tenant shall be responsible at its sole cost and expense for the repair, restoration or replacement of Tenant's Leasehold Improvements and Tenant's Property. Landlord shall not be liable for any loss of business, inconvenience or annoyance arising from any repair or restoration of any portion of the Project as a result of any damage from fire or other casualty.

20. EMINENT DOMAIN. If the whole of the Project or Premises is lawfully taken by condemnation or in any other manner for any public or quasi-public purpose, this Lease shall terminate as of the date of such taking, and Rent shall be prorated to such date. If less than the whole of the Project or Premises is so taken, this Lease shall be unaffected by such taking, provided that (i) Tenant shall have the right to terminate this Lease by notice to Landlord given within ninety (90) days after the date such taking if twenty (20%) percent or more of the Premises is taken and the remaining area of the Premises is not reasonably sufficient for Tenant to continue operation of its business, and (ii) Landlord shall have the right to terminate this Lease by notice to Tenant given within ninety (90) days after the date of such taking. If either Landlord or Tenant so elects to terminate this Lease, the Lease shall terminate on the thirtieth (30th) day after either such notice. The Rent shall be prorated to the date of termination. If this Lease continues in force upon such partial taking, the Base Rent and Tenant's Proportionate Share shall be equitably adjusted according to the remaining Rentable Area of the Premises and Project. In the event of a partial taking of the Premises which does not result in a termination of this Lease, Landlord shall restore the remaining portion of the Premises as nearly as practicable and physically possible to its condition prior to the condemnation or taking. All compensation awarded or paid upon such total or partial condemnation or taking shall belong to and be the property of Landlord without participation by Tenant. Notwithstanding the foregoing, although Tenant shall be responsible at its sole cost and expense for the repair, restoration and replacement of any other Leasehold Improvements and Tenant's Property, as well as relocation costs associated finding a suitable replacement property for Tenant's business as a result of any such taking, Tenant shall be eligible to participate in any compensation awarded or paid upon such total or partial condemnation.

21. TENANT'S INSURANCE. Tenant, at its expense, shall maintain in force at all times during the Term, commercial general liability insurance - occurrence form, which shall include coverage for personal liability, contractual liability, tenant's legal liability, business interruption, bodily injury, death and property damage, all on an occurrence basis with respect to the business carried on in or from the Premises and Tenant's use and occupancy of the Premises, with coverage for any one occurrence or claim of not less than \$1,000,000 or such other amount as Landlord may reasonably require upon not less than six months' prior written notice, which insurance shall include Landlord, the Manager and their respective officers, partners and employees as additional insureds and shall protect Landlord in respect of claims by Tenant as if Landlord were separately insured. Tenant also agrees to carry insurance against fire, sprinkler damage and such other risks as are from time to time included in standard "all risk" and/or "special peril" forms of insurance (including business interruption,



business income and extra expense coverage and insuring against flood and all other forms of water damage) for the full insurable value, covering all of Tenant's personal property and equipment located on or within the Premises and the Building. The insurance carrier and the form and substance of such insurance policy (including the deductible amounts) shall be subject to Landlord's satisfaction. The insurance carrier shall be a responsible carrier authorized to issue such insurance, authorized to do business in Alaska and shall have a policyholders' rating of no less than "A" in the most current edition of Best's Insurance Reports. Any casualty insurance carried by Tenant and covering the Premises or Tenant's fixtures, property or equipment located in the Premises shall contain a waiver by the insurer of any rights of subrogation or indemnity or any other claim to which the insurer might otherwise be entitled against Landlord, the Manager and their respective partners, agents or employees. Tenant shall furnish to Landlord, prior to the commencement of the Term and prior to the expiration of any then existing coverage, policies or certificates evidencing such coverage, which policies or certificates shall state that such insurance coverage may not be reduced, canceled or not renewed without at least thirty (30) days' prior written notice to Landlord and Tenant (unless such cancellation is due to nonpayment of premium, and in that case, only ten (10) days' prior written notice shall be sufficient). In the event that Tenant fails, at any time or from time to time, to comply with the requirements of this Section, Landlord may (i) order such insurance and charge the cost thereof to Tenant, which amount shall be payable by Tenant to Landlord upon demand, as Additional Rent or (ii) impose on Tenant, as Additional Rent, a monthly delinquency fee, for each month during which Tenant fails to comply with the foregoing obligation, in an amount equal to five percent (5%) of the monthly Base Rent then in effect; provided, however, in any such instance where Landlord elects to so provide insurance and charge the premiums therefor to Tenant, as Additional Rent, Landlord agrees that it may not pass through to Tenant, as Additional Rent, the amount of any such insurance premium in excess of the premium that Tenant reasonably evidences to Landlord would be charged to Tenant, if Tenant were to procure the same insurance coverage as then in question 9 (with the same deductible), from an insurer with the Best's rating that equals or exceeds the ten-applicable Best's rating of Landlord's insurer.

22. LANDLORD'S RIGHTS. Landlord shall have the following rights exercisable without notice (except as expressly provided to the contrary) and without being deemed an eviction or disturbance of Tenant's use or possession of the Premises or giving rise to any claim for set-off or abatement of the Rent: (i) To change the name or street address of the Building upon thirty (30) days' prior written notice to Tenant; (ii) To install, affix and maintain all signs on the exterior and/or interior of the Building; (iii) To designate and/or approve prior to installation, all types of signs, windows shades, blinds, drapes, awnings or other similar items, and all internal lighting that may be visible from the exterior of the Premises; (iv) To display the Premises to prospective tenants at reasonable hours during the last twelve (12) months of the Term; (v) To change the arrangement of entrances, doors, corridors, elevators and stairs in the Building, provided that no such change shall materially adversely affect access to the Premises; (vi) To grant to any party the exclusive right to conduct any business or render any service in or to the Building, provided such exclusive right shall not operate to

prohibit Tenant from using the Premises for the purposes permitted under this Lease; (vii) To prohibit the placing of vending or dispensing machines of any kind in or about the Premises other than for use by Tenant's employees; (viii) To have access for Landlord and other tenants of the Building to any mail chutes and boxes located in or on the Premises according to the rules of the United States Post Office and to discontinue any mail chute service in the Building; (ix) To close the Building after normal business hours, except that Tenant and its employees and invitees shall be entitled to admission at all times under such regulations as Landlord prescribes for security purposes; (x) To take any and all reasonable measures, including inspections and repairs to the Premises or to the Building, as may be necessary or desirable in the operation or protection of the Building; (xi) To retain at all times master keys or pass keys to the Premises; (xii) To install, operate and maintain security systems which monitor, by closed circuit television or otherwise, all persons entering and leaving the Building; (xiii) To install and maintain pipes, ducts, conduits, wires and structural elements located in the Premises which serve other parts or other tenants of the Building; and (xiv) To make alterations, improvements, repairs and replacements to the Building or any systems, equipment or machinery located in, on or under the Building.

23. ESTOPPEL CERTIFICATE. Tenant shall within thirty (30) days of possession, or from time to time as requested by Landlord, execute and deliver in form and substance satisfactory to Landlord, an estoppel letter signed by an officer or partner of Tenant and certifying: the Commencement Date and the Expiration Date; the date to which Base Rent and Additional Rent has been paid; the amount of Base Rent and Additional Rent then being paid; the amount of any Security Deposit; that Tenant has accepted the Premises; that this Lease is in full force and effect and has not been modified, amended or assigned (or, if modified, stating the nature of such modification and certifying that this Lease, as so modified, is in full force and effect); that all improvements have been fully completed and, if not, a list of "punch list" items to be completed; that there are no defaults of Landlord under this Lease nor any existing condition upon which the giving of notice or lapse of time would constitute a default; that Tenant has not received any concession; that there are no offsets to the payment of Rent; that Tenant has received no notice from any insurance company of any defects or inadequacies of the Premises; Tenant has no options or rights other than as set forth in this Lease; and such other matters which Landlord may reasonably request. If the letter is to be delivered to a purchaser or other subsequent owner of the Building, it shall further include the agreement of Tenant to recognize such purchaser or other subsequent owner as Landlord under this Lease and to pay Rent to the purchaser or other subsequent owner or its designee in accordance with the terms of this Lease. It is expressly understood and agreed that any such statement may be relied upon by any prospective purchaser, mortgagee or ground lessor of all or any portion of the Real Estate. Tenant's failure to deliver such statement within the period requested by Landlord shall be conclusive upon Tenant that this Lease is in full force and effect, without modification except as may be represented by Landlord, that there are no uncured defaults in Landlord's performance, not more than two (2) months' rental has been paid in advance and that all other statements required to be made in the estoppel letter are conclusively made.



24. **MORTGAGE BY LANDLORD.** This Lease is expressly subject and subordinate at all times to (i) any ground, underlying or operating lease of the Building or the Land now or hereafter existing and all amendments, renewals and modifications to any such lease, and (ii) the lien of any mortgage or trust deed encumbering fee title to the Building, the Land and/or the leasehold estate under any such ground, underlying or operating lease, and to all advances made or to be made upon the security of such lien. Tenant agrees:

A. If requested by any mortgagee, trustee or lessor, Tenant shall subordinate its interest in this Lease to any such mortgage, trust deed or lease and will execute such subordination agreement or agreements as may be reasonably required by any said mortgagee, trustee or lessor, and

B. In the event of any default by Landlord under this Lease which would give Tenant the right to terminate this Lease or to claim a partial or total eviction, Tenant will not exercise any such right until (i) it has notified in writing the mortgagee, holder of such trust deed or lessor, as the case may be (if the name and address of such mortgage, holder or lessor shall have previously been furnished by written notice to Tenant) of such default, and (ii) such mortgagee, holder or lessor, as the case may be, fails within a reasonable time (not to exceed thirty (30) days) after receipt of such notice to cause such default to be cured, and

C. If any such mortgage or trust deed be foreclosed (or a deed given in lieu of foreclosure), or if any such lease be terminated, upon request of the mortgagee, holder or lessor, as the case may be, Tenant will attorn to the purchaser at foreclosure sale (or grantee of deed in lieu of foreclosure) or the lessor under the lease, as the case may be, and will execute such instruments as may be necessary or appropriate to evidence such attornment.

25. **TRANSFER OF LANDLORD'S INTEREST.** In the event of any sale or transfer of the Premises, Building or Project, and assignment of this Lease by Landlord, Landlord shall be and is entirely freed and relieved of any and all liability and obligations contained in or derived from this Lease arising out of any act, occurrence or omission relating to the Premises, Building, Project or this Lease occurring after the consummation of such sale or transfer, providing the purchaser shall expressly assume all of the covenants and obligations of Landlord under this Lease. If any security deposit or prepaid Rent has been paid by the Tenant, Landlord shall transfer the security deposit or prepaid Rent to Landlord's successor and upon such transfer, Landlord shall be relieved of any further liability with respect thereto.

26. **HAZARDOUS SUBSTANCES.** During the term of this Lease, Tenant shall (i) comply at its sole cost and expense with all federal, state and local laws relating to environmental quality, health, safety, contamination and cleanup; (ii) not store and utilize any substance regulated or prohibited under any such laws; and (iii) reimburse, defend, indemnify and hold Landlord, the Manager and their respective officers, partners and employees free and harmless from any and all losses, liabilities and costs including reasonable attorneys' fees arising out of any violation by Tenant of its obligations under this Section.

27. **NOTICES.** All notices to be given under this Lease shall be in writing and delivered (i) personally (which shall be deemed to have been given upon such actual delivery), (ii) by depositing the same in the United States mail (which shall be deemed to have been given three (3) days following the date upon which same is deposited in the United States mail), certified or registered with return receipt requested, postage prepaid, or (iii) by Federal Express or similar overnight courier (which shall be deemed given one (1) business day following the date upon which same is deposited with such courier), addressed as follows:

A. To Landlord:

Last Frontier Real Estate, LLC
Attn: Jason S. Motyka
PO Box 107
Denali Park, AK 99755

With a copy to:

Daniel J. McCarthy III
Goldstine, Skrodzki, Russian, Nemec and
Hoff, Ltd.
835 McClintock Drive, 2nd Floor
Burr Ridge, Illinois 60527

B. To Tenant at the location stated in Section 1.C. until Tenant takes possession of the Premises and then at the Premises.

Each party shall have the right to change its notice address by giving the other party written notice thereof in accordance with the terms of this Section.

28. **CONFIDENTIALITY.** As a condition of entering into this Lease with Landlord, Tenant covenants and agrees with Landlord to maintain the confidentiality of the terms of this Lease, including, but not limited to, the rental terms specified herein. Tenant acknowledges that any disclosure of the Base Rent and Additional Rent amounts named herein impair Landlord's marketing of the other office spaces in the Building.

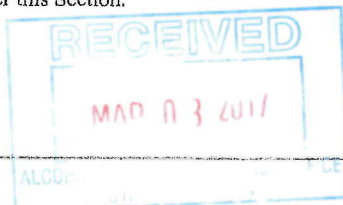
29. **MISCELLANEOUS.**

A. **Binding Effect.** This Lease shall be binding upon and inure to the benefit of the Landlord and Tenant and their respective heirs, legal representatives, successors and permitted assigns. If this Lease is executed by more than one Tenant, the obligations and liability thereof shall be joint and several.

B. **Quiet Enjoyment.** Tenant, upon paying the Rent and performing all of its obligations under this Lease, shall peaceably and quietly enjoy the Premises, subject to the terms of this Lease and to any mortgage, lease, or other agreement to which this Lease may be subordinate.

C. **Exhibits.** All Exhibits attached to this Lease are made a part of this Lease and incorporated by this reference into this Lease.

D. **Entire Agreement.** This Lease and the Exhibits and Rider (if any) attached to this Lease set forth all the



covenants, promises, assurances, agreements, representations, conditions, warranties, statements and understandings (collectively, the "Representations") between Landlord and Tenant concerning the Premises and the Building, and there are no Representations, either oral or written, between them other than those in this Lease. This Lease supersedes and revokes all previous negotiations, arrangements, letters of intent, offers to lease, reservations of space, lease proposals, brochures, Representations and information conveyed, whether oral or in writing, between the parties or their respective representatives or any other person purporting to represent Landlord or Tenant. No subsequent alteration, amendment, change or addition to this Lease shall be binding upon Landlord or Tenant unless in writing signed by both parties.

E. Signing. The signing of this Lease by Tenant and delivery of this Lease to Landlord or its agent does not constitute a reservation of or option for the Premises or an agreement to enter into a Lease and this Lease shall become effective only if and when Landlord signs and delivers same to Tenant; provided, however, the signing and delivery by Tenant of this Lease to Landlord or its agent shall constitute an irrevocable offer by Tenant to lease the Premises on the terms and conditions contained in this Lease, which offer may not be withdrawn or revoked for thirty (30) days after such signing and delivery. If Tenant is a corporation, limited liability company or other entity, (a) Tenant represents and warrants that this Lease has been duly authorized, executed and delivered by and on behalf of Tenant and constitutes the valid and binding agreement of Tenant in accordance with the terms hereof and (b) if Landlord so requests, Tenant shall deliver to Landlord or its agent, concurrently with the delivery of this Lease executed by Tenant, certified resolutions of the board of directors (and shareholders, if required) or managers (and members, if required) authorizing Tenant's execution and delivery of this Lease and the performance of Tenant's obligations hereunder. If Tenant is a partnership, Tenant represents and warrants that all of the persons who are general or managing partners in the partnership have executed this Lease on behalf of Tenant, or that this Lease has been executed and delivered pursuant to and in conformance with a valid and effective authorization therefor by all of the general or managing partners of such partnership, and constitutes the valid and binding agreement of the partnership and each and every partner therein in accordance with its terms.

F. Consent. Notwithstanding anything contained in this Lease to the contrary, Tenant shall have no claim, and hereby waives the right to any claim, against Landlord for money damages by reason of any refusal, withholding or delaying by Landlord of any consent, approval or statement of satisfaction, and in such event, Tenant's only remedies therefor shall be an action for specific performance, injunction or declaratory judgment to enforce any right to such consent, etc.

G. No Accord. No payment by Tenant or receipt by Landlord of a lesser amount than any installment or payment of Rent due shall be deemed to be other than on account of the amount due, and no endorsement or statement on any check or any letter accompanying any check or payment of Rent shall be considered an accord and satisfaction, and Landlord may accept such check or payment without prejudice to Landlord's right to recover the balance of

such installment or payment of Rent or pursue any other remedies available to Landlord. No receipt of money by Landlord from Tenant after the termination of this Lease or Tenant's right to possession of the Premises shall reinstate, continue or extend the Term.

H. Broker. Tenant represents to Landlord that except for the broker, if any, stated in Section I.L., Tenant has not dealt with any real estate broker, sales person, or finder in connection with this Lease, and no such person initiated or participated in the negotiation of this Lease, or showed the Premises to Tenant. Tenant agrees to indemnify, defend and hold harmless Landlord, the Manager and their respective officers, partners and employees, from and against any and all claims, demands, liabilities, actions, damages, costs and expenses (including attorneys' fees) for brokerage commissions or fees arising out of a breach of such representation. Unless otherwise agreed by the parties, Landlord shall be responsible for the payment of all commissions to the broker stated in Section I.L., based upon the leasing commission policy of Landlord applicable to the Building and in effect as of the date of this Lease.

I. Force Majeure. Landlord shall not be considered in default of any of the terms, covenants and conditions of this Lease on Landlord's part to be performed, if Landlord fails to timely perform same and such failure is due in whole or in part to any strike, lockout, labor trouble (whether legal or illegal), civil disorder, inability to procure materials, failure of power or water (either an on or off Premises failure), restrictive governmental laws and regulations, riots, insurrections, war, fuel shortages, accidents, casualties, Acts of God, acts caused directly or indirectly by Tenant (or Tenant's agents, employees or invitees) or any other cause beyond the reasonable control of Landlord.

J. No Waiver. The receipt by Landlord of any Rent with knowledge of the breach of any covenant of this Lease by Tenant shall not be deemed a waiver of such breach or any subsequent breach of this Lease by Tenant and no provision of this Lease shall be deemed to have been waived by Landlord unless such waiver be in writing signed by Landlord.

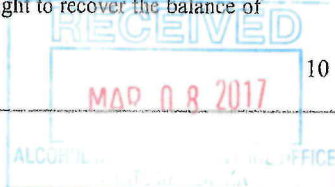
K. Sections/Paragraphs. Section and/or Paragraph captions in this Lease are inserted only as a matter of convenience and in no way define, limit, construe or describe the scope or intent of such Sections and/or Paragraphs.

L. Applicable Law. This Lease shall be construed in accordance with the laws of the State of Alaska.

M. Time. Time is of the essence of this Lease and the performance of all obligations under this Lease.

N. Landlord's Performance. If Tenant fails timely to perform any of its duties under this Lease, Landlord shall have the right (but not the obligation) after the expiration of any applicable notice and cure period, to itself perform such duty on behalf and at the expense of Tenant, without further notice to Tenant, and all sums incurred by Landlord in performing such duty shall be considered additional rent under this Lease and shall be due and payable upon demand by Landlord.

O. Recording. Tenant shall not record this Lease or



a memorandum of this Lease with any governmental office or agency. Tenant, upon request of Landlord shall execute and acknowledge a "short form" memorandum of this Lease for recording purposes.

P. **Severability.** If any clause, phrase, provision or portion of this Lease or the application of same to any person or circumstance shall be invalid or unenforceable under applicable law, such event shall not affect, impair or render invalid or unenforceable the remainder of this Lease, nor any other clause, phrase, provision or portion of this Lease, nor shall it affect the application of any clause, phrase, provision or portion of this Lease to other persons or circumstances.

Q. **Captions and Section Numbers.** The captions appearing within the body of this Lease have been inserted as a matter of convenience and for reference only and in no way define, limit or enlarge the scope or meaning of this Lease. All reference to Section numbers refer to Sections in this Lease.

R. **Changes Requested by Lender.** Neither Landlord nor Tenant shall unreasonably withhold its consent to changes or amendments to this Lease requested by any lender on Landlord's interest, so long as these changes do not alter the basic business terms of this Lease or materially diminish any rights or materially increase any obligations of the party from whom consent to such change or amendment is requested.

[Signature Page Follows]



IN WITNESS WHEREOF, this Net Lease is executed as of the day and year first above written.

LANDLORD:

LAST FRONTIER REAL ESTATE, LLC, an Alaskan
limited liability company

By: _____

David S. McCarthy, Manager

TENANT:

NORTHERN HOSPITALITY GROUP, INC., an Alaskan
corporation

By: _____

David S. McCarthy, President



[Signature Page to Net Lease]

EXHIBIT A

WORK AGREEMENT

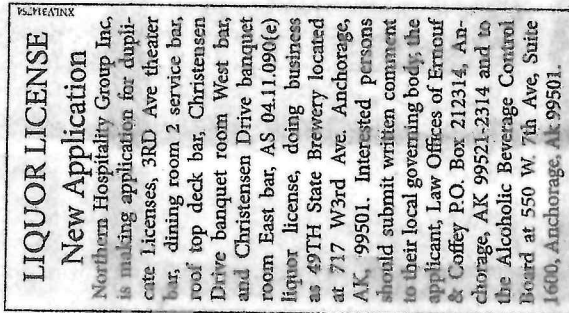
Landlord's Work: None.

Tenant's Work: None.

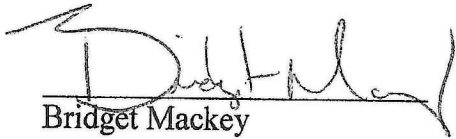
Tenant accepts the Premises in its "as-is", "where-is", "as-built configuration", and Tenant hereby acknowledges that the same are in good condition and repair.



ANCHORAGE PUBLISHING, CO.
731 I Street Suite 102
Phone: 561-7737 Fax: 561-7777



I, Bridget Mackey, advertising representative for Anchorage Publishing, Co., verify that the liquor license notice for Northern Hospitality Group Inc., appeared in the February 9, February 16 and February 23, 2017 issues of the Anchorage Press Newspaper.


Bridget Mackey

Subscribed and sworn to me in the Municipality of Anchorage, in the state Alaska, on this 2 day of March, 2017.


Notary Public Signature
September 06, 2020
Commission Expires

