

**THREE-YEAR LEASE AGREEMENT FOR OFFICE SPACE
IN THE CENTER FOR COMMUNITY BUILDING,
700 KATLIAN STREET, SUITE C, SITKA, ALASKA**

**To Cover Period: December 1, 2020 through November 30, 2023 as a lease, and
December 1, 2023 through November 30, 2025 as two one-year optional lease
renewal periods.**

Lease made the 1st day of the month of December, 2020, between

THE CENTER FOR COMMUNITY, INC.,
an Alaskan corporation whose address is 700 Katlian Street, Suite B, Sitka, Alaska, 99835, and
who is hereinafter called the Landlord, and

WAYNE T. HAGERMAN, OD, APC (d/b/a SITKA VISION CLINIC),
an Alaskan professional corporation, who is hereinafter called the Tenant.

1. DESCRIPTION OF SPACE LEASED.

Landlord owns a two-story office building, formerly known as the Harborview Center Building, and now known as the Center for Community Building. Landlord hereby leases to the Tenant the following described premises, hereinafter referred to as the Space Leased:

A space measuring 1925 square feet, as surveyed, to be occupied as office space, on the first floor of the Center for Community Building at 700 Katlian Street, Suite C, Sitka, Alaska; which building's legal description is Dan Moller Subdivision, Lots 2, 3, 8, 9, and 10, Block 7, Sitka Recording District, Sitka, Alaska. (This lease is to be recorded in the Sitka Recording District.)

Use and occupancy by the Tenant of the Space Leased shall include the free and uninterrupted right of access to the Space Leased by means of doorways, passages, stairways, elevators, and entrances to the building that afford access to the Space Leased. Use and occupancy by Tenant shall include the right of Tenant, its staff, employees, patients, clients and other invitees to use of the common areas of the building, including lobbies, stairs and elevator, public restrooms, and the parking areas of the Center for Community Building, including the two parking lots in front of the building and the downhill side parking spaces along Otter Street, a privately-owned street of which the Landlord holds an undivided one-half ownership interest.

2. TERM AND PAYMENT.

The Lease term for the described Space Leased shall be thirty-six (36) months, beginning on the 1st day of December 2020 and ending on the 30th day of November 2023.

For Year One of this lease, the space will be leased at the rental rate of \$2.0775 per square foot, for a monthly total of \$3,999.27 (Three Thousand Nine Hundred Ninety-Nine Dollars and

Twenty-Seven Cents). This is the same rental rate as the last year of the just-expired lease that ended Nov. 30, 2020.

For Year Two of this lease, the rent will be \$2.11 per square foot, for a monthly total of \$4,061.75 (Four Thousand Sixty-One Dollars and Seventy-Five Cents) per month. This represents a raise for coverage of CPI of 1.5% from Year One. .

For Year Three of this lease, the rent will be \$2.14 per square foot, for a monthly total of \$4,122.68 (Four Thousand One Hundred Twenty-Two Dollars and Sixty-Eight Cents) per month.

Rents per month for the three years of the initial lease, plus each of two optional one-year renewal periods are shown in the chart below.

New Lease	Lease Year 1	Lease Year 2	Lease Year 3	Optional Renewal - Year 4	Optional Renewal - Year 5
1925 Sq Ft	Dec. 1, 2020 - Nov. 30, 2021	Dec. 1, 2021 - Nov. 30, 2022	Dec. 1, 2022 - Nov. 30, 2023	Dec. 1, 2023 - Nov. 30, 2024	Dec. 1, 2024 - Nov. 30, 2025
Per Square Foot	\$2.0775	\$2.11	\$2.14	\$2.17	\$2.21
Rent Per Month (before sales tax)	\$3,999.27	\$4,061.75	\$4,122.68	\$4,184.52	\$4,254.25

Cost of Living Adjustments: On December 1, 2021, and each subsequent December 1, the base lease payment, as described in chart, above, shall be adjusted upward by 1.5% (one and one-half percent).

Sales Tax: In addition to the monthly rent listed herein, Tenant shall pay to Landlord an additional amount equal to the City Sales Tax applicable to the monthly rental payment. The rent, plus sales tax, is payable on the 1st day of each month through the term of this Lease and its optional renewal periods. Tenant shall pay the rent to Center for Community, Inc., 700 Katlian Street, Suite B, Sitka, AK 99835 or as Landlord may later designate in writing.

Renewal and Cancellation Options: Tenant may choose to renew this three-year lease for two (2) additional periods of twelve months each, subject to the following provisions:

- a) Automatic Renewal for Additional Years 4 and 5, Absent Notice of Intent Not to Renew. Tenant shall be assumed to be exercising its option for each renewal year, unless Tenant notifies Landlord, in writing, on or before the 1st of June immediately preceding the

December 1 start date of an optional renewal year that Tenant does NOT intend to renew for the upcoming optional renewal year.

- b) Tenant's Notice to End Lease. At any time during the first three years of this lease, Tenant may give notice in writing to Landlord that Tenant does not intend to exercise Tenant's option to renew for all or part of Year 4 of this lease. No notice to quit from Tenant shall be effective until at least November 30, 2023, the date of the completion of the first two years of this lease. After December 1, 2023, Tenant may give notice in writing to Landlord at any time of Tenant's intent to terminate this lease, or to use less than 12 months of an optional renewal term of this lease, the termination to be effective upon a date at least six months subsequent to the delivery date of Tenant's written notice. If Tenant leaves with less than six months' notice, Tenant shall pay out the full six months' time period to Landlord.
- c) Marketing Premises: Upon receipt of notice of intent from Tenant of intention to vacate, Landlord reserves the right to market the Premises to other interested parties.
- d) Landlord Notice to End Lease: If Landlord does not intend to allow Tenant to extend the lease for one or more of the optional renewal periods, i.e., the 4th, or 5th year of this lease, Landlord must notify Tenant in writing of Landlord's intent to terminate Tenant's right to extend the lease period, by the 1st day of June immediately preceding

3. COVENANTS AND OBLIGATIONS OF THE LANDLORD.

The Landlord covenants and agrees with the Tenant that Landlord will:

- a) Maintain the leased space and adjoining common areas in good repair and tenantable condition during the duration of this lease or any renewal or extension of this lease;
- b) Furnish utilities for all common areas of the building and parking lots, and furnish snow and ice removal, without additional cost to the Tenant;
- c) Maintain and keep the stairway, elevator, and common or public lobbies used for access to the leased space in a clean and safe condition;
- d) Maintain the building free of any mechanical, structural or electrical hazards and in a good state of general repair and maintenance;
- e) Maintain public liability insurance covering the common areas of the building, parking lots and grounds with a reputable insurance company in a minimum amount of \$100,000.00 for property damage and in the amount of \$500,000.00 per individual/\$1,000,000.00 in the aggregate for bodily injuries or death, which insurance shall specifically insure Tenant against all liability and shall show Tenant as an additional insured, with Landlord to furnish a copy of the insurance binder to Tenant;
- f) Not rent to any businesses that directly compete with the services offered by the Tenant, with the provision that Tenant shall have the remedy as against Landlord of specific

performance, damages, and reasonable attorney's fees and costs as allowed by law, or in the alternative, Tenant, may, at its option, terminate this lease on ninety (90) days' notice;

- g) Maintain and repair plumbing, electrical and other interior repairs to both the building and inside the Space Leased, except for those repairs caused by negligence or abuse by Tenant or Tenant's employees, clients, or invitees, and except as discussed more specifically elsewhere in this Lease;
- h) Provide janitorial services for the common areas of the building, including stairway, elevator, lobbies and hallways used to access the leased space, and common area public restrooms, Landlord to maintain and keep the interior common areas clean and in good repair such that a professional image is maintained, including but not limited to having the exterior of all windows cleaned at least every six months, and having the carpet in the common areas of the building cleaned at least every six months;

4. COVENANTS AND OBLIGATIONS OF THE TENANT.

The Tenant hereby covenants and agrees with the Landlord that Tenant will:

- a) Pay the designated rent at the times and place described in this lease;
- b) Pay for and cause to be made any repairs or maintenance on leasehold improvements installed in the past or the future by Tenant as well as any repairs to the Leased Space caused by the negligence of Tenant or its employees, clients, or invitees;
- c) Use and occupy the Space Leased in a careful and proper manner, solely for Tenant's medical clinic business and any purpose reasonably related to Tenant's business;
- d) Not use or occupy the Space Leased for any unlawful purpose;
- e) Not assign this lease, not sub-let the Leased Space, nor any part thereof, without the written consent of the Landlord, such consent shall not unreasonably be withheld;
- f) Make no alterations or additions in or to the Space Leased without the written consent of the Landlord, such consent shall not unreasonably be withheld;
- g) Not use the Space Leased or any of the building or parking common areas, or any improvements or property thereon located, in any way that obstructs or interferes with the rights of access and quiet enjoyment of any other tenant of the same building;
- h) Not use the Space Leased in any manner so as to conflict with or violate any present or future applicable law, regulation or ordinance, and shall immediately discontinue any use which is declared by any governmental authority having jurisdiction to be in violation of law;
- i) Not do or permit to be done anything in or about the Space Leased and the building and its surrounding property which will increase Landlord's present rates of insurance

without the written prior consent of Landlord, which consent may be contingent upon Tenant paying for any increase in insurance rates;

- j) Not damage the structural soundness of the improvements of the building and its surrounding property;
- k) Leave the Space Leased, at the expiration or prior termination of this lease or any renewal or extension thereof, in as good a condition as at the beginning date of this lease term, or if repairs or upgrades are made by Landlord to the Space Leased after the start of this lease, Tenant will leave the Space Leased in as good a condition as at the completion of those repairs or upgrades, in both instances excepting reasonable wear and tear;
- l) On the last day of the term of this lease or its extensions, or on the earlier termination of this lease, peaceably and quietly leave, surrender and yield to Landlord the Space Leased, clean and in good order and repair, with the agreement that Tenant may remove at its option and expense any medical equipment furniture and fixtures belonging to Tenant, which items are not affixed to the Space Leased, further agreeing that any damage caused by removal of furniture, fixtures, affixed cabinets or equipment shall be repaired by Tenant at Tenant's expense;
- m) Permit the Landlord to enter into the Space Leased at any reasonable time during Tenant's business hours, at other times by advance arrangement with Tenant, and at any time that an emergency necessitates Landlord's entry in order to prevent, stop, or repair catastrophic or other major damage to the Space Leased or to the remainder of the building;
- n) Maintain public liability insurance covering the Space Leased in a reputable insurance company, preferably the same insurance carrier as Landlord, in a minimum amount of \$100,000.00 for property damage and in the amount of \$500,000.00 per individual/\$1,000,000.00 in the aggregate for bodily injuries or death, which insurance shall specifically insure Landlord against all liability and shall show Landlord as an additional insured, with Tenant to furnish a copy of the insurance binder to Landlord;
- o) Agrees, in addition to the Tenant's insurance requirement, to defend, indemnify and hold harmless the Landlord and Landlord's agents, employees, clients, and invitees from any claim for damages arising out of Tenant's occupancy or out of Tenant's leased portion of the premises; further provided that Tenant agrees that all risk of loss for any of Tenant's property shall remain solely the risk of the Tenant;
- p) Provide janitorial services for Suite C, including replacement of light bulbs for ceiling fixtures in the suite; and
- q) Provide and pay for utilities for Suite C, and provide and pay for separate garbage service, if desired, for Suite C.

5. MUTUAL COVENANTS OF LANDLORD AND TENANT.

It is mutually agreed by and between the Landlord and Tenant, relative to the following items:

- a) Mutual Waivers of Subrogation. Relative to any loss or damage that may in the future arise out of or incident to the perils insured against in the terms of this lease, which perils occur in, on, or about the premises, whether due to the negligence of Landlord or Tenant, or the employees, agents, clients, invitees, or licensees of either party, Landlord and Tenant hereby agree to a mutual waiver of subrogation rights under the respective insurance policies, which mutual waiver of subrogation each party shall cause to be known to its insurance carrier.
- b) Legal Compliance. Both parties shall comply with all requirements of law and with all ordinances, regulations and orders of any federal, state, municipal or other public authority affecting the Center for Community building.
- c) Breach of Lease and Cures. The following actions shall be deemed a default and a breach of this lease, namely, the failure to pay rent by Tenant as provided in this lease; or failure to perform any covenant or condition of this lease by either party, which failure the offending party fails to cure within thirty (30) days after service of written notice by the other party; subject to further agreement that no default shall be deemed to exist if the offending party shall have in good faith promptly commenced steps to rectify the same offending condition and so long as the rectifying shall be pursued and brought to completion with diligence.
- d) Notice of Default. In the event of a default, Landlord may serve a written notice to Tenant that Landlord elects to terminate this Lease, which notice shall specify a specific date, not less than (10) days after the service of such notice, and this lease shall then expire on the specified date; provided however that if notice is given for Tenant's failure to pay rent when due, no such termination shall occur if all rents then due and owing are paid within the ten day notice period; provided further that if a cure of some other offending condition is actually occurring as specified in the subsection above, the lease shall not terminate.
- e) Landlord's Right to Take Possession and to Collect Due Rents. In the event that this lease is terminated, or in the event that the premises are abandoned by tenant, Landlord may re-enter the Space Leased, and may remove all persons and property from the space in accordance with Alaska law; and the remaining balance of rent for the full leasehold period shall immediately become due and payable with all rents paid in advance to be applied against the rent due; provided that Landlord shall take reasonable steps to promptly re-let the Leased Space and if the Leased Space or any portion thereof are leased to a third party, the net rents received less the expenses of Landlord in re-letting the Space, shall be applied against the rent still due from Tenant, and Landlord's expenses for re-letting shall include without limitation, all repossession costs, brokerage commissions, legal expenses, reasonable attorney's fees, alteration costs, and expenses to prepare for such re-letting; and finally, subject to agreement that Landlord shall not be obliged to pay or surrender any additional sum in rentals which may be received by

Landlord over and above the amount which otherwise would have been paid by the Tenant in this lease.

- f) Notices to be in writing. Any notice or demand, which under the terms of this lease or under any statute, must or may be given or made by any party, shall be in writing and delivered to the other party at their addresses stated above, or to any substituted address furnished in writing by the party.
- g) Successors in interest. This lease and its terms shall inure to the benefit of and be binding upon the Landlord, its successors and assigns, and this lease shall be binding upon the heirs, executors, administrators, successors and assigns of the Tenant.
- h) Integration. This Lease contains the entire agreement of the parties, and there are no oral agreements or other understandings that vary the terms of this Lease, with the provision that any changes or amendments to this Lease must be in writing.
- i) Choice of Law. This Lease is to be construed in accordance with the laws of the State of Alaska and venue for any dispute shall be Sitka, Alaska.
- j) Dispute Resolution. In the event of any dispute arising under this Lease, the parties agree that they will in the first instance mediate the dispute, with a neutral third party acting as an impartial mediator, with either party being entitled to demand that a dispute be mediated by serving written notice on the other party; and mediation must be noticed within thirty (30) days of the noticing party becoming aware of the dispute, with mediation to be accomplished within 30 days after notice of mediation.
- k) Subordination. Tenant agrees that this Lease shall be subordinate to the lien of any mortgages or Deeds of Trust now or hereafter placed against any part or all of the property or premises, and to all renewals and modification, supplements, consolidations, and extension thereof; provided, however, in the event that any mortgage or beneficiary shall so elect, Landlord reserves the right to subordinate said mortgage lien to this Lease upon the terms required by such mortgagee or beneficiary. Notwithstanding the above, upon request of the Landlord, Tenant will, in writing, subordinate its rights hereunder to the lien of any first mortgage or first Deed of Trust, to any bank, insurance company, or other lending institution now or hereinafter in force against the land and building of which the leased premises are a part; Tenant further agrees to subordinate to all advances made or hereinafter may be made upon the security thereof. Tenant will not unreasonably withhold signing the necessary papers that a Lender may require. The provisions of this paragraph to the contrary notwithstanding, and so long as Tenant is not in default hereunder, the subordinated Lease shall remain in full force and effect for the full term hereof.

6. RIGHTS RESERVED BY LANDLORD:

Landlord reserves the rights to take the following actions with the space that is the subject of this lease:

- a) to legally create one or more condominium office units out of this space or any part of this space, in which case, Landlord will still be the owner of the condominium unit(s) that constitute this leased space, unless or until Landlord sells said unit(s);
- b) to sell the space that is the subject of this lease, including the right to show the space to potential buyers and to allow a buyer to terminate this lease on three months' notice from date of recordation of the transfer of ownership; or
- c) to use this space as security for loans, and to require Lessor to execute any subordination or other documents as may be required by the financial entity making the loans.

IN WITNESS WHEREOF, the parties, through their authorized representatives, executed this LEASE agreement on the date written below in Sitka, Alaska.

LESSOR:

DATED this 1st day of the month of December, 2020.

THE CENTER FOR COMMUNITY, INC.

By: Bryan C. O'Callaghan
Bryan C. O'Callaghan
Executive Director

LESSEE:

WAYNE T. HAGERMAN, OD, APC (d/b/a SITKA VISION CLINIC), an Alaskan professional corporation,

DATED this 1st day of the month of December, 2020.

By: _____
Wayne T. Hagerman, President