

Appendix G

FACILITY LEASE TERMINATION AGREEMENT

This FACILITY LEASE TERMINATION AGREEMENT (“Agreement”) is made effective as of April [___], 2022 (“Effective Date”), by and between CITY AND BOROUGH OF SITKA, ALASKA, a home rule municipality organized under the laws of the State of Alaska (“Lessor”), and SOUTHEAST ALASKA REGIONAL HEALTH CONSORTIUM, a non-profit corporation organized under the laws of the State of Alaska and a tribal organization comprised of federally-recognized Alaska Native tribes (“Lessee”).

RECITALS

A. Lessor and Lessee entered into a Facility Lease Agreement dated August 1, 2019 (the “Lease”) for that certain real property, buildings, improvements and fixtures commonly known as the Sitka Community Hospital and located at 209 Moller Avenue, 302 Gavan Street, 202 Brady Street and 204 Brady Street, as more fully described in the Lease (the “Premises”).

B. Concurrently with the execution and delivery of this Agreement, Lessee is purchasing the Premises from Lessor in accordance with the terms of that certain Purchase and Sale Agreement for Sitka Community Hospital dated April [___], 2022 (the “Purchase Agreement”).

C. In connection with the closing of the purchase of the Premises by Lessee under the Purchase Agreement, Lessor and Lessee desire to terminate the Leases on the terms and conditions herein contained.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual promises herein contained and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Termination of Lease. Subject to the terms and conditions of this Agreement, the Lease shall be terminated effective as of the Effective Date in the same manner and with the same effect as if that date had been originally fixed in the Leases for the expiration of the term. All terms and conditions of the Lease shall remain in full force and effect up to the Effective Date. Notwithstanding anything to the contrary in the Lease, Lessee shall have no obligation to vacate or surrender the Premises, or to restore any damage or alterations made to the Premises during the term of the Lease, it being understood that Lessor has sold the Premises to Lessee in their as-is condition as of the Effective Date. As of the Effective Date, the rights and obligations of Lessee and Lessor under the Lease will terminate and, subject to Section 2 below, Lessee and Lessor will be released, waived, and forever discharged from further obligations under the Lease and from any and all claims, demands, actions, and causes of action, known and unknown, suspected or unsuspected, arising from the Lease.

2. Indemnification. The indemnification provisions in Sections 9 and 17.3 of the Lease shall survive this Agreement.

3. Outstanding Rent and Other Charges. Lessor and Lessee acknowledge that Fixed Rental was prepaid by Lessee at the commencement of the Lease, and there will be no proration or refund of any such prepaid rent. Lessor represents and warrants that, as of the Effective Date, there is no Additional Rent due and payable by Lessee under the Lease.

4. Released Representations. In furtherance of Lessee's agreement under Section 11 of the Purchase Agreement, Lessee hereby releases and waives the representations and warranties made by Lessor to Lessee with respect to "material deferred maintenance with respect to the Premises and building systems as listed in Exhibit B" in subsection 1.3.1 of the Lease.

5. Notices. All notices, demands, requests, consents and approvals which may, or are required to, be given by any party to any other party hereunder shall be in writing and shall be given in the manner set forth for the giving of notices in the Lease.

6. Attorney Fees. If any party initiates legal proceedings to enforce its rights under this Agreement, the substantially prevailing party shall be entitled to reimbursement of its reasonable attorney fees, costs, expenses and disbursements from the other parties.

7. Further Assurances. Each party agrees to cooperate with the other and to execute and deliver all such further instruments and documents and do all such further acts and things as such party may be reasonably requested to do from time to time by the other party in order to carry out the provisions and objectives of this Agreement.

8. Final and Complete Expression. This Agreement is the final and complete expression of the parties' agreement with respect to the subject matter hereof. This Agreement may not be modified, interpreted, amended, waived or revoked orally, but only by a writing signed by all of the parties hereto. This Agreement shall inure to the benefit of and be binding upon the successors and assigns of the parties.

9. Severability. If any provision in this Agreement is deemed invalid, then the remaining provisions thereof will continue in full force and effect and will be construed as if the invalid provision had not been a part of this Agreement.

10. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, but which together shall constitute one and the same instrument.

Signatures Appear on Following Page

IN WITNESS WHEREOF, the parties have executed this Agreement on the date first below.

LESSOR:

CITY AND BOROUGH OF SITKA

By: _____
John Leach, Municipal Administrator

LESSEE:

**SOUTHEAST ALASKA REGIONAL HEALTH
CONSORTIUM**

By: _____
Charles Clement, President and CEO