

ASHBURN & MASON P.C.

LAWYERS

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OF COUNSEL JULIAN L. MASON III • A. WILLIAM SAUPE

November 29, 2018

HAND -DELIVERED

Alexandria Hicks
CON Coordinator
Alaska Dept of Health & Social Services
3601 C St, Suite 978
Anchorage, AK 99503



RE: Request for Determination

Dear Ms. Hicks,

We are writing on behalf of Cable & McCormick, APC doing business as Diagnostic Imaging of Alaska, who wish to open a new diagnostic imaging center at 2110 East Northern Lights Boulevard, Anchorage, Alaska. The center will be approximately 7,085 rentable square feet ("SF")¹, and include the following radiological modalities: MRI, CT, C-Arm, Ultrasound, and an X-Ray. Construction and renovation will be finished by approximately 90 days after a notice to proceed², with a total project cost of \$1,380,661 as summarized below:

CON Project Cost Summary

Lease for Space:	\$429,681
Design and Construction	\$382,808
Equipment:	\$568,172
Total:	\$1,380,661

DIA requests a determination under 7 AAC 07.031 as to whether a certificate of need ("CON") is required to complete its project. Since total project costs are less than \$1.5 million, per AS 18.07.031, a CON does not appear to be required for this project. The following sections and attached exhibits provide the substantiation for this summary.

¹ Since the building is two suites, one of which will be leased for unrelated purposes, the areas of the 8411 square foot building have been allocated on a rentable square foot basis. The DIA is 7085 rentable square feet and the other lease space is 1326 rentable square feet. Please see Wolf Architect allocations attached as Exhibit A.

² We will issue the notice to proceed upon Department concurrence with our RFD.

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A. Lease for Space

Diagnostic Imaging of Alaska is under lease for the entire building at 2110 East Northern Lights Boulevard. The building is 8,411 SF, and the term of the lease is two years with the option to purchase the building at the end of the two-year term for \$1.5 million.³

Diagnostic Imaging of Alaska leased the entire building because the space offers an opportunity for the diagnostic imaging center to occupy part of the building (*i.e.* 7,085 rentable SF) while allowing the remaining portion (*i.e.* 1,326 rentable SF) to be used for a separate, unrelated purpose.⁴ More specifically, the remaining 1,326 rentable SF will be used for lease to unrelated parties. The space is shown on the attached architectural drawings.⁵ As depicted, this space is a separate unit with its own reception and waiting room. It is currently listed for lease with RE/MAX Dynamic Properties at \$1.85 a square foot/ plus utilities and common area maintenance fees.⁶ These are the same pass through fees as paid on the prime lease. The space will not be leased to another entity that is subject to certificate of need requirements.

Because the actual diagnostic imaging center will occupy 7,085 rentable SF, and since the remaining 1,326 rentable SF will be used for a separate, unrelated purpose (see above), only the lease costs associated with the 7,085 rentable SF diagnostic imaging center space are considered for CON expenditure purposes. Lease costs are analyzed under 7 AAC 07.010(a)(8), and the CON Program has historically interpreted this provision to mean the cost of the lease equals the total lease payments made over the term of the lease.

The lease rate for the 7,085 rentable square foot diagnostic imaging center is \$1.85 per SF per month.⁷ Over the term of two years, this computes to \$314,574 (*i.e.* \$1.85 x 7,085 SF x 24

³ See. Exhibit "B" attached. Lease dated September 19, 2018 between AII Holdings LLC .and Cable & McCormick, APC.

⁴ The entire building size is 8411 square feet. While the lease says approximately 8419 square feet, we have elected to go with the architect's measurement of the building at 8411 square feet as we believe it is more accurate and also it makes the numbers consistent. The separate unrelated leased space is 1,326 rentable square feet and bears its share of the common area. The common area is the entry (405 sq. ft.), washrooms (260 sq. ft.) and the mechanical and electrical rooms (190 sq. ft.) for a total of 885 square ft. So on a rentable basis, the leased unit is 1326 rentable square feet and the imaging center space is 7085 rentable square feet.

⁵ See Exhibit "C" attached. Drawings by Wolf Architecture A1.2

⁶ See Exhibit "D" listing Agreement with RE/MAX Dynamic dated 11-27-2018.

⁷ The lease rate was the lease rate requested by the landlord in an arm's length negotiation and meets the test for fair market value

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months). Per the terms of the lease, Diagnostic Imaging of Alaska is also responsible for the Common Area Maintenance (“CAM”) fees, which are \$0.60 per SF per month. Over the term of two years, this computes to \$102,024 (i.e. $\$0.60 \times 7,085 \text{ SF} \times 24 \text{ months}$).

Finally, the lease includes an option to purchase the entire building for \$1.5 million at the end of the two-year term. This option to purchase is secured by an option fee of \$15,575.00. If Diagnostic Imaging of Alaska chooses not to exercise its option to purchase, the \$15,575.00 option fee reverts to the landlord. For avoidance of doubt, Diagnostic Imaging of Alaska has included the option fee as part of the total lease expense for the purpose of this CON determination. However, since the fee secures an option to purchase the whole building, and since the diagnostic imaging center is only 84% of the building,⁸—84% of the fee should be counted for CON purposes. This equates to \$13,083.

In total, the lease expense for CON purposes is the sum of the diagnostic imaging center’s lease payments over the two-year term plus the sum of the diagnostic imaging center’s CAM fees over the two-year term plus the proportionate share of the option fee. This equals $\$314,574 + \$102,024 + \$13,083 = \underline{\$429,681}$.

B. Design & Construction

Diagnostic Imaging of Alaska engaged Wolf Architects to perform the design services for its project for the purpose of a design build contract to be built by Cadence General, LLC, an experienced design build contractor. The total contract, inclusive of design costs and total construction costs has a guaranteed maximum price (“GMP”) of \$338,208. A design build contract differs from traditional construction contracts in that the responsibility for resolving design issues is resolved between the contractor and the architect within the GMP. This avoids the risk of cost overruns due to design errors or oversights. The GMP also contains a reasonable contingency to address any unknown conditions in the project. As noted the project is scheduled to be complete within 90 days of the notice to proceed. A copy of the design build contract is attached along with the certified cost estimate from Cadence General, LLC.⁹ Based on this schedule, the cost of construction for the imaging center is \$338,208. The design cost is based on the actual proposal from Wolf Architecture, Inc, to undertake the design work for a total of \$44,600.¹⁰ The total is \$382, 808.

⁸ See the architect’s calculation in Exhibit “A” n.1 *supra*.

⁹ See Ex. “E” AIA 195 -2008. Exhibit “A” to Form AIA 195 has the guaranteed maximum price as well as the general contractor cost certification for the renovation project as required by 7 AAC 07.031(b)(2). It is on page 6 of Exhibit “A”.

¹⁰ The design fees are by fee proposal contract dated September 21, 2018. See attached Exhibit “F”

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In total, the design work and estimated construction amount to a total cost of \$382,808 for CON purposes.

C. Equipment

The new diagnostic imaging center will house the following pieces of equipment: MRI, CT, C-Arm, Ultrasound, and an X-Ray.¹¹ The attached quotes support the cost of each piece of equipment.

The MRI was purchased from the medical practice that previously occupied space in the 2110 East Northern Lights Boulevard building and is already in the building. It is a GS SIGNA MR 1.5 HDI (age:2006 and upgraded in 2011). The contract purchase price is \$215,350.¹² This is based upon the attached option to purchase for \$215,000 plus \$350 documentation fee.

The CT will be purchased from GE Healthcare ("GE"). The CT is a refurbished GoldSeal Optima –CT540, with a one year warranty and its cost is \$207,000, which includes installation.¹³

The C-Arm is an OEC 9900 Elite Office Pain Extended 9 Inch Super C-arm and accessory equipment and is invoiced at \$118,003. It is new and includes installation.¹⁴

The ultrasound is a Logic E9, (age: 2008) and its cost is \$2,819. This was based upon a cash payment of \$2,000, plus a trade of a portable ultrasound machine valued at \$819.¹⁵

Lastly, the X-Ray equipment, which is a Quantum Medical Imaging Model REF QG-40G (2013), was purchased from Denali Orthopedic Surgery for \$25,000.¹⁶

¹¹ 7 AAC 7.900(16) (A) defines equipment as "an installed device or system of devices necessary for the safe, functional, and medically appropriate operation of the facility..." . . . Subsection (B) clarifies that it "does not include optional design features, furnishings, or décor choices that do not add to the minimum necessary for the safe, functional and medically appropriate operation of the facility." In other words, supplies, furniture, office décor, and other non-infrastructure items are not considered 'equipment'.

¹² See Exhibit "G" September 27, 2018 GE quote.

¹³ See Exhibit "H" GE quote dated 11-28-2018. The options will not be ordered.

¹⁴ See Exhibit "I" GE Health Care quote dated 9-27-2018.

¹⁵ See Exhibit "J" November 20, 2018 bill of sale.

¹⁶ See Exhibit "K" See Denali Orthopedic bill of sale dated 9-14-2018.

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In total, the cost of equipment: MRI \$215,350 + CT \$207,000 + C-Arm \$118,003 + Ultrasound \$2819+ X-Ray \$25,000 amounts to \$568,172 for this CON determination.

Conclusion

Diagnostic Imaging of Alaska seeks to open a new diagnostic imaging center at 2110 East Northern Lights Boulevard, Anchorage, Alaska. The center will be approximately 7,085 rentable SF, and include the following imaging modalities: MRI, CT, C-Arm, Ultrasound, and an X-Ray. Construction and renovation will be finished within 90 days of a notice to proceed with a total project cost of \$1,380,661.

Because the total costs associated with this project are less than \$1.5 million, per AS 18.07.031, we request your determination and concurrence that a CON is not required for this project.

We appreciate your time and attention to this request. Please do not hesitate to call if I can clarify anything for you in this Request.

Sincerely,

ASHBURN & MASON, P.C.



Donald W. McClintock

Enclosures

Exhibits A-K



11.27.2018

DIAGNOSTIC IMAGING OF ALASKA
2011 EAST NORTHERN LIGHTS BLVD.
ANCHORAGE, AK

MAIN LEASE AREA CALCULATION

The following is a lease area calculation for the proposed main area of lease space of the building. This space shares a common entry, mechanical, electrical and public washrooms with the remainder of the building.

LEASE AREA 6367 SF
LEASE AREA, TENANT 2 1189 SF

SHARED COMMON AREAS

MECHANICAL	105 SF
ELECTRICAL	85 SF
ENTRY	405 SF
<u>WASHROOMS</u>	<u>260 SF</u>
SUBTOTAL	855 SF

TOTAL BUILDING 8411 SF
MINUS SHARED SPACE 7556 SF

LEASE % OF TOTAL = 84%
84% OF SHARED = 718 SF
LEASE + SHARED % = 7085 SF

If you have any questions on the above, please feel free to contact our office. Thank you.

A handwritten signature in cursive script, appearing to read "Jason Collins".

Jason Collins, AIA
Wolf Architecture, Inc.
625 South Cobb St., Suite 200
Palmer, AK 99645
907-.746.6670



11.27.2018

DIAGNOSTIC IMAGING OF ALASKA
2011 EAST NORTHERN LIGHTS BLVD.
ANCHORAGE, AK

LEASE AREA CALCULATION

The following is a lease area calculation for the proposed lease space at the NorthWest corner of the building. This space shares a common entry, mechanical, electrical and public washrooms with the remainder of the building.

LEASE AREA 1189 SF

SHARED COMMON AREAS

MECHANICAL	105 SF
ELECTRICAL	85 SF
ENTRY	405 SF
<u>WASHROOMS</u>	<u>260 SF</u>
SUBTOTAL	855 SF

TOTAL BUILDING 8411 SF
MINUS SHARED SPACE 7556 SF

LEASE % OF TOTAL = 16%
16% OF SHARED = 137 SF
LEASE + SHARED % = 1326 SF

If you have any questions on the above, please feel free to contact our office. Thank you.

A handwritten signature in black ink, appearing to read "Jason Collins".

Jason Collins, AIA
Wolf Architecture, Inc.
625 South Cobb St., Suite 200
Palmer, AK 99645
907-.746.6670

BUILDING LEASE

1. **PARTIES.** This Building Lease (this "Lease"), dated September 19, 2018, for reference purposes only, is made by and between All Holdings LLC ("Landlord") and Cable & McCormick, A Professional Corporation d/b/a Diagnostic Imaging of Alaska ("Tenant").

2. **PREMISES.** Landlord hereby leases to Tenant and Tenant hereby leases from Landlord, for the term, at the rental and upon all the conditions set forth herein, (the "Premises") containing approximately 8,418 square feet of floor area, located at 2110 E Northern Lights Boulevard, Anchorage, Alaska 99508 (The "Building") as set forth on Exhibit A attached hereto and incorporated herein by reference. The Premises include the furniture fixture and equipment and the rights for use of real estate as described below. Additionally, Landlord shall grant Tenant the right and option to assume the MRI lease obligation on site as well as an assignment of Landlord's purchase options as further detailed in Section 3. The Premises are located in the Anchorage Recording District, Third Judicial District, State of Alaska, and are located on the real estate described in said Exhibit A (which together shall be the "Property").

3. **TERM.**

3.1 **Initial Term.** The Lease term shall commence on ~~October 15, 2018~~ ("Lease Commencement Date"), and shall continue for Two (2) years thereafter expiring on ~~October 14, 2020~~, unless sooner terminated pursuant to any provision hereof. *Sept. 30, 2020*

3.2 **Option To Purchase.** In consideration of the Landlord extending to Tenant the exclusive option to purchase the Property (the "Option") under the terms stated within this Section 3.2, Tenant agrees that the Security Deposit in the amount of \$15,575.00 held in accordance with Section 4.4 of the Lease shall revert to Landlord as an Option Fee in the event that Tenant does not exercise the Option during the Option Term (as defined below).

i. The Tenant shall have the right to exercise the Option at any time during the period that begins with the Rent Commencement Date and expires on October 14, 2020 ("Option Term");

ii. The Option Price is One Million Five Hundred Thousand and NO/100 Dollars (\$1,500,000.00) cash at closing;

iii. The Option must be exercised in writing and delivered to Landlord at least 120 days prior to the expiration of the Option Term;

iv. In the event the Tenant shall exercise the Option, Landlord agrees to sell and Tenant agrees to purchase the Property (including the furniture, fixture, and equipment); and both parties agree that the Purchase and Sale Agreement attached hereto as Schedule "A" (the "PSA") shall become activated with all dates for performance contained in the PSA calculated using the date Tenant exercised the Option; and the Option Fee shall be credited to the Tenant at the closing of their purchase;

v. In the event the Tenant does not exercise its Option during the Option Term, or if after exercising the Option Tenant does not close its purchase, Landlord shall be entitled to retain the Option Fee and the Option shall become absolutely null and void and neither party shall have any other liability, obligation or duty relating to the Option;

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Initial (T) *[Signature]*
Initial (L) *[Signature]*

vi. Upon the expiration of the Option, should Tenant wish to renew or extend the Lease, Landlord shall have the right in its sole discretion to require that Tenant deposit a new Security Deposit to replace the funds retained by Landlord as the Option Fee;

(vii) During the term of the Lease, Tenant shall have the right to use the MRI located on Premises by paying the lease payment required during such period of use. In the event Tenant exercises the option to purchase the real Estate, Landlord shall also assign the MRI lease to Tenant, conditioned upon consent of the owner of the MRI, including but not limited to the purchase option associated with the MRI lease;

(viii) the parties agree to record a Memorandum of Lease and Option setting out the term of the Lease and Tenant's purchase option rights, which shall be in first position to the rights of any other party other than a first position lender of record.

4. **RENT.**

4.1 **Commencement of Rent.** The rental payments under this Lease shall commence October 4th ("Rent Commencement Date"). The rental payments shall be payable in advance, on the first (1st) day of each month. Rent for any period which is for less than one (1) month shall be a pro rata portion of the monthly installment. Rent shall be payable, without notice or demand and without deduction, offset or abatement, to Landlord at the address stated herein, see Section 4.6 or to such other persons or at such other places as Landlord may designate in writing.

4.2 **Minimum Rent.** Tenant shall pay to Landlord during the Initial Term as Minimum Rent for the Premises monthly installments as follows:

a) Fifteen Thousand Five Hundred Seventy Five and NO/100 Dollars (\$15,575.00) for each month during the period October 1, 2018 through September 30, 2020 (24-months), a PSF rate of \$1.85.

Simultaneously with the execution of this Lease, Tenant shall pay its first month's rent in the amount of \$15,575.00 and first month Additional Rent (Section 4.3) payment of \$5,051.40 to Landlord for a total of \$20,626.40.

4.3 **Additional Rent.** Effective on the Rent Commencement Date, Tenant shall pay as additional rent over the Minimum Rents specified in Section 4.2 its prorata share of Landlord's costs and expenses related to the common area maintenance and operating costs of the Building (hereinafter "CAM"). Tenant's proportionate share shall be derived as a percentage by dividing the gross square footage of the Premises (8,419 square feet) by the gross square footage of the Building (8,419 square feet) or 100%.

CAM shall include, without limitation, but not limited to, all costs of any kind as incurred by Landlord in insuring, operating, cleaning, equipping, protecting, lighting, repairing, heating, air-conditioning, managing and maintaining the Building and common areas of the Property. The costs shall include real estate taxes applicable to the Property and improvements, common area electricity, refuse (except medical waste will be Tenant's responsibility), water and sewer, snow shoveling including ice melt, snow plowing, snow removal, parking lot sweeping/maintenance, window washing, landscape care services, supplies, management fees, maintenance and repair of roofs, heating/air conditioning units, sidewalks and paving, premiums for public liability and property damage insurance, premiums for fire and extended coverage insurance and such other kinds of insurance as may be carried by Landlord from time to time, except insurance against loss of rents and earthquake coverage. CAM shall exclude, brokerage commissions, property management fees, capital expenditures for major repairs or replacement of the

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roof, parking, structural elements, or the utility systems, including but not limited to replacement of the HVAC system.

Landlord shall prepare a budget for CAM annually making estimates using the actual CAM of the previous year (beginning in the second lease year) and adjusting for anticipated increases/decreases. Tenant's prorata share, once estimated for the ensuing year, shall be paid in twelve (12) monthly installments, each in an amount equal to 1/12th of Tenant's share so estimated by Landlord. Payment of CAM installments shall commence on the Rent Commencement Date and be due monthly thereafter on the first day of each month. Landlord shall notify Tenant in writing of changes in the amount of such estimated Tenant's share and the date on which such new estimated amount shall begin. If, as finally determined by annual audit of actual charges, Tenant's share shall be greater than or be less than the aggregate of all installments so paid on account to the Landlord for such twelve (12) month period, then Tenant shall pay to Landlord the amount of such underpayment upon written notice from Landlord which notice shall include documentation of the audit calculations, or the Landlord shall credit Tenant for the amount of such overpayment, as the case may be. The obligation of the Tenant with respect to the payment of CAM shall be considered additional rent and shall survive the termination of this Lease. Any payment, refund or credit made pursuant to this subparagraph shall be made without prejudice to any right of Tenant to dispute, or of the Landlord to correct, any items billed pursuant to the provisions of this subparagraph. Failure of Landlord to provide Tenant with an annual estimate of CAM shall not constitute a waiver by Landlord of its right to require Tenant to pay Tenant's share of CAM.



(a) Landlord has estimated that the Additional Rent applicable to the first year of the Lease shall be **Five Thousand Fifty One & 40/100 Dollars (\$5,051.40)** per month or \$.60 per square foot. Tenant's first months Additional Rent payment shall be due on the Rent Commencement Date as outlined in Section 4.1 above.

4.4 Security Deposit. Simultaneously with the execution of this Lease Tenant has deposited with Landlord the sum of Fifteen Thousand Five Hundred Seventy Five Dollars and no/100 (\$15,575.00) Said sum shall be held by Landlord as security for the faithful performance by Tenant of all the terms, covenants and conditions of this Lease to be kept and performed by Tenant during the term hereof. If Tenant defaults with respect to any provision of this Lease, including but not limited to the provisions relating to the payment of rent, Landlord may (but shall not be required to) use, apply or retain all or any part of the Security Deposit for the payment of any rent or any other sum in default or for the payment of any amount which Landlord may spend or become obligated to spend by reason of Tenant's default. If any portion of said deposit is so used or applied, Tenant shall, within ten (10) days after written demand therefor, deposit cash with Landlord in an amount equal to the amount used or applied, and Tenant's failure to do so shall be a default under this Lease. Landlord shall not be required to keep this security deposit separate from its general funds, and Tenant shall not be entitled to interest on such deposit. This deposit shall also serve as the Option Fee described in Section 3.2 and if retained by Landlord in accordance with Section 3.2, Tenant agrees that Landlord shall have the right to require Tenant to replace such deposit in the event Tenant and Landlord agree to extend or renew the Lease Term beyond October 14, 2020. If Tenant extends or renews the Lease and delivers a replacement deposit to Landlord relative thereto, and if Tenant shall fully and faithfully perform every provision of this Lease to be performed by it, the security deposit or any balance thereof shall be returned to Tenant within thirty (30) days following expiration of the extended Lease term. In the event of termination of Landlord's interest in this Lease, Landlord shall transfer said deposit or balance remaining to Landlord's successor in interest.

4.5 Late Charge. If any payment is not paid within ten (10) days of the due date, then there shall be added as additional rent an amount equal to four percent (4%) of the delinquent payment for the month or portion thereof after the date it was due, provided, however, if such sum and late charges are not paid in full on or before the fifteenth (15th) day of the month, such sum shall commence to bear interest at the rate of ten and one-half percent (10.5%) per annum until paid in full.

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4.6 Payment of Rent. All rent payments shall be sent to Landlord at the following address payable to: **Commercial Real Estate Alaska, 341 W. Tudor Road, Suite 103, Anchorage, AK** as property manager for All Holdings LLC, or to such other address as Landlord may from time to time designate.

5. CONSTRUCTION OF IMPROVEMENTS.

5.1 Landlord's Improvements. Landlord is not obligated with respect to either the Premises or the Property to (i) make any improvements, changes, installations, alterations, repairs, or replacements; (ii) do any work; (iii) clean out the Leased Premises; (iv) obtain any permits, licenses, or governmental approvals; or (v) spend any money either to put Tenant in possession or to permit Tenant to open for business, unless Landlord has so agreed expressly in this Lease, including but not limited to Section 9.1.. All work other than that expressly set forth herein to be performed by Landlord, if any, shall be accomplished by Tenant

5.2 Tenant's Initial Improvements and Allowance. Tenant shall be responsible for the costs and expenses to fixture and do all work and make all improvements that is not being done by Landlord, including installation of an attractive exterior lighted sign above its entrance, in order to prepare the Premises for business operations. Tenant shall complete its work, fully staff, and open for business promptly. Prior to operating its business, Tenant shall obtain a certificate of occupancy, if required by governmental laws or codes, for the Premises from the Municipality, and obtain final lien waivers for all work performed by or on behalf of Tenant and forward copies to Landlord. Prior to performing any work to the Premises or Building during the Lease Term Tenant shall provide plans and specifications of such work to Landlord for its prior approval, not to be unreasonably withheld or delayed, Landlord understands that Tenant plans to remodel the premises for its continued use for medical offices and a radiology practice and such remodeling is acceptable so long as it complies the remainder of this Section 5.2. Tenant shall, at its sole expense, in doing any work or making any installations at the Leased Premises, comply with all present and future laws, regulations, building codes, and fire codes applicable to the Premises or to Tenant's use or occupancy or business operations. Tenant shall defend, indemnify, and hold Landlord harmless from all losses, damages, claims, liabilities, costs, and expenses (including legal fees) arising out of any failure to do so. Construction of improvements and all work by or for Tenant shall be performed by a licensed and insured General Contractor in full compliance with all applicable governmental codes, ordinances and laws. Tenant shall provide Landlord with a Certificate of Insurance from the contractor showing Workman's Compensation coverage in at least the State minimum amount and naming Landlord as an "Additional Insured" for Public and General Liability in an amount of not less than \$2,000,000 Aggregate and \$1,000,000 per occurrence prior to commencing work. Tenant acknowledges that Landlord has made no representations, and that Tenant has conducted all inspections it deems necessary, and Tenant accepts the Leased Premises and all the equipment, apparatus, plumbing, heating, air conditioning, electric, water, waste disposal, and other systems relating thereto and the parking lot and the other Common Areas of the Property **AS-IS, WITH ALL FAULTS, AND WITHOUT WARRANTY, WHETHER EXPRESS OR IMPLIED.** Tenant shall defend, indemnify and save Landlord harmless from and against all claims for injury, loss, or damage to person or property caused by or resulting from doing any work. For any work that involves penetration of the roof surface or modifications of the HVAC system, Tenant shall employ Landlord's contractor to preserve any warranties. The maintenance of any portion of the roof affected by Tenant's work will be Tenant's responsibility, including repair of areas of the Property that might be affected due to water penetration through Tenant's roof work.

5.3 Tenant's Future Improvements. Tenant shall be responsible for the design, construction and installation of Tenant's own leasehold improvements in excess of Section 5.1 and 5.2 and trade fixtures, including lights, branch wiring beyond the panel, floor coverings, interior partitioning, decor, shelves, racks and counters, provided that the design and decor shall be subject to the

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reasonable prior written approval of Landlord, and Tenant shall provide Landlord with appropriate design drawings for approval prior to the construction and installation of Tenant's leasehold improvements.

Tenant shall not do or directly contract for anything to be done causing the Premises to be encumbered by liens of any nature, and shall, whenever and as often as any lien is recorded against said property, purporting to be for labor or materials furnished or to be furnished to Tenant, discharge the same of record within 10 days of the date the lien is recorded by recording the bond contemplated is A.S. 34.35.072 or otherwise appropriately satisfy the subject lien in full.

Tenant shall obtain waivers of lien rights and releases of claims from contractors, subcontractors, and suppliers in connection with Tenant's leasehold improvements and shall indemnify and hold Landlord harmless from the same.

Landlord shall not be liable for any labor or materials furnished or to be furnished to Tenant upon credit. Tenant shall have no authority, express or implied, to create or place any lien or encumbrance of any kind or nature whatsoever upon, or in any manner to bind, the interest of Landlord in the Premises or to charge the rentals payable hereunder for any claim in favor of any person dealing with Tenant, including those who may furnish materials or perform labor for any construction or repairs, and each such claim shall affect and each such lien shall attach to, if at all, only the leasehold interest granted to Tenant by this instrument. At least ten (10) days before commencing or causing to be commenced any work that is or may be the subject of a lien for work done or materials furnished to the Premises, Tenant shall notify Landlord in writing thereof, to allow Landlord, if it desires, to post and record notices of non-responsibility or to take any other steps the Landlord deems appropriate to protect its interest.

Upon completion of construction the Tenant shall provide to Landlord valid lien releases and satisfactory proof of payment of all liens, claims based on notices of right to lien, and other claims against the Premises, and a Certificate of Occupancy and/ or Certificate of Completion for the Premises from the Municipality of Anchorage whenever work performed requires permits. Tenant shall ensure that all permits are closed at the completion of the work.

6. **ADDITIONAL CHARGES.** In addition to the rent provided for herein, and commencing on the Rent Commencement Date, Tenant shall pay to Landlord the amount stated in **Section 4.3.**

7. **UTILITIES.** Effective on the Lease Commencement Date, Tenant shall be responsible for obtaining service and paying all charges for gas, electric, telephones, janitorial and all other services required or desired by Tenant's business and not specifically the responsibility of Landlord through CAM or otherwise. Tenant shall arrange for medical waste disposal, at Tenant's expense.

8. **USE.** The Premises shall be used and occupied only for the purpose of healthcare and shall be used for no other purpose without the prior written consent of Landlord, which shall not be unreasonably withheld. No act shall be done in or about the Premises that is unlawful. Cannabis related activities and/or business shall not be permitted upon the Premises and/or Building. Tenant will not commit or allow to be committed any waste upon the Premises or any public, private, or mixed nuisance or other act or thing which disturbs the quiet enjoyment of any other tenants in the Building. Tenant shall comply with all laws relating to its use of the Premises and shall observe such reasonable rules and regulations as may be adopted and published by Landlord for the safety, care and cleanliness of not only the Premises but also the Building and for the preservation of good order therein.

9. **MAINTENANCE, REPAIRS AND ALTERATIONS.**

9.1 **Landlord's Obligations.** Subject to the provisions of **Section 11** and except for damage caused by the negligence or intentional act or omission of Tenant or Tenant's agents,

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employees or invitees, Landlord, at Landlord's expense, shall keep in good order, condition and repair the foundations, structural portions of the exterior walls, and utility lines to the building, as well as the replacement, as required in Landlord's sole discretion, of the pavement, exterior roof of the Building, concrete sidewalks, and HVAC units. Landlord shall provide for parking lot maintenance, roof repairs and maintenance, HVAC repairs and preventive maintenance, landscaping, common area lighting, snow plowing and removal for sidewalks and parking lot, and common area maintenance, which Tenant will pay through CAM's (see Section 4.3), except if specified as a Landlord expense under Section 4.3. Landlord shall have no obligation to make repairs under this Section 9.1 until a reasonable time after the receipt of written notice of the need for such repairs and then only to the extent reasonably necessary to satisfy Landlord's obligations under this Lease.

9.2 Tenant's Obligations. Subject to the provisions of Section 9.1 and Section 11, and except for damages caused by the negligence or intentional acts or omission of Landlord or Landlord's agents, employees, contractors, invitees or tenant, Tenant, at Tenant's expense, shall keep in good order, condition and repair the Premises and every part thereof, including but not limited to plumbing, any mechanical or electrical apparatus, lighting, doors, window frames, hardware, glass and nonstructural ceilings and walls. Tenant shall, at the expiration or termination of this Lease, surrender and deliver up the Premises to Landlord in as good condition as when received by Tenant from Landlord or as thereafter improved, reasonable use, wear and tear excepted. Tenant shall repair any damage to the Premises or the Building occasioned by its use thereof or by the removal of Tenant's trade fixtures, furnishings and equipment, which repair shall include the patching and filling of holes and repair of structural damage.

9.3 Landlord's Rights. If Tenant fails to perform Tenant's obligations under this Section 9, Landlord may (but shall not be required to) enter upon the Premises after ten (10) days prior written notice to Tenant and put the same in good order, condition and repair or otherwise cure the default, and the cost of such action plus fifteen percent (15%) thereof shall become due and payable as additional rent to Landlord together with Tenant's next rental installment.

9.4 Alterations and Additions. Tenant shall not, except as provided in Section 5 and this Section 9.4, without Landlord's prior written consent, make any alterations, additions or improvements in the Premises. As a condition to giving such consent, Landlord may require that Tenant remove any such alterations, improvements, additions or utility installations at the expiration of the term and restore the Premises to their prior condition, reasonable use, wear and tear excepted. Tenant specifically authorized by Landlord to install a compressor on the roof of the Building for its cooler system, with Tenant being solely responsible for all costs of installation, maintenance, upgrade, repair of any damage to roof as a result of such equipment being located on the roof and removal of such equipment at the expiration of the term. Tenant shall not permit any mechanics or materialmen's liens to be filed against the Premises and shall hold Landlord harmless from any damage, loss or expense arising out of any such work. All work on the Premises shall be done in compliance with all applicable governmental codes and regulations. At Landlord's option, all alterations, improvements or additions which may be made on the Premises shall become the property of Landlord and remain upon and be surrendered with the Premises at the expiration of the term. Tenant's machinery, equipment and trade fixtures other than those which are affixed to the Premises so that they cannot be removed without material and irreparable damage to the Premises shall remain the property of Tenant and may be removed by Tenant, subject to the provisions of Section 9.2.

10. INSURANCE: INDEMNITY.

10.1 Liability Insurance. Tenant shall maintain in force during the term of this Lease a policy of comprehensive public liability insurance issued by a company acceptable to Landlord and insuring Tenant and Landlord against any liability, including without limitation damage to other portions of the Building, arising out of the ownership, use, occupancy or maintenance of the Premises and

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all areas appurtenant thereto, such insurance shall be in an amount of not less than Two Million Dollars (\$2,000,000.00) General Aggregate and One Million Dollars (\$1,000,000.00) for each occurrence and Fifty Thousand Dollars (\$50,000.00) for property damage. The limits of said insurance shall not, however, limit the liability of Tenant hereunder and Tenant is encouraged to consult with their insurance professional for advice on limits and types of insurance suitable for Tenant's risks and business operations. **Such policies shall name Landlord and Landlord's property manager as additional insured and shall provide that they may not be cancelled without thirty (30) days prior written notice to Landlord, or in accordance with the regulations for insurance in Alaska.** Landlord shall be furnished with a certificate evidencing issuance of such policy of liability insurance, and such certificate shall recite that said policy may not be cancelled without thirty (30) days prior written notice to Landlord, **or in accordance with the regulations for insurance in Alaska.** If Tenant shall fail to maintain said insurance, Landlord may but shall not be required to procure and maintain the same, at the expense of Tenant. Tenant shall provide Landlord with such certificate prior to entering the Premises or starting tenant improvement work.

10.2 Personal Property Insurance. Tenant shall be responsible for obtaining and maintaining insurance on all its personal property (including improvements paid for by Tenant) and property of others stored and located at, about or upon the Premises to cover such personal property for damage, theft, destruction and other forms of loss in amounts sufficient for the replacement thereof in the event loss.

10.3 Property Insurance. Landlord shall maintain in force during the term of this Lease, a policy of insurance issued by a company authorized to engage in the insurance business in the State of Alaska, insuring the Building against damage or destruction by fire and/or by perils covered by the standard form of extended coverage endorsements to fire insurance policies in the State of Alaska in effect at the time when the policies are obtained in an amount at least equal to the Option Price (\$1,500,000.00).

10.4 Waiver of Subrogation. As long as their respective insurers so permit, Landlord and Tenant hereby mutually waive their respective rights of recovery against each other for any loss insured by fire, extended coverage and other property insurance policies existing for the benefit of the respective parties. Each party shall apply to its insurers to obtain said waivers. Each party shall obtain any special endorsements, if required by its insurer, to evidence compliance with the aforementioned waiver.

10.5 Hold Harmless. Tenant shall indemnify, defend and hold Landlord harmless from and against any and all claims arising from Tenant's negligence or misconduct in its use of the Premises or from the conduct of its business or from any activity, work or thing which may be permitted or suffered by Tenant in or about the Premises and shall further indemnify, defend and hold Landlord harmless from and against any and all claims arising from any breach or default in the performance of any obligation on Tenant's part to be performed under the provisions of this Lease or arising from any negligence of Tenant or any of its agents, contractors, employees or invitees and from any and all costs, attorneys' fees, expenses and liabilities incurred in the defense of any such claim or any action or proceeding brought thereon. Tenant hereby assumes all risk of damage to property or injury to persons in or about the Premises as a result of its negligence or misconduct, and Tenant hereby waives all claims in respect thereof against Landlord, excepting where said damage or injury arises solely out of the negligence or misconduct of Landlord or Landlord's agents, employees, contractors, invitees or tenants.

10.6 Exemption of Landlord from Liability. Landlord shall not be liable for injury to Tenant's business or any loss of income therefrom or for damage to the goods, wares, merchandise or other property of Tenant, Tenant's employees, invitees or customers or any other person in or about the Premises unless such injury or loss results from negligence or misconduct of Landlord or Landlord's agents, employees, contractors, invitees or tenants. Landlord shall not be liable for personal

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injury to Tenant or Tenant's employees, agents, contractors and invitees, whether said damage or injury results from conditions arising upon the Premises or upon other portions of the Building of which the Premises are a part or from other sources or places, and regardless of whether the cause of such damage or injury or the means of repairing the same is inaccessible to Landlord or Tenant.

11. **DAMAGE OR DESTRUCTION.** In the event the Premises are damaged to such an extent as to render the same untenable in whole or in a substantial part thereof or are destroyed, it shall be optional with Landlord to repair or rebuild the same; and after the happening of any such event, Tenant shall give Landlord or Landlord's agent immediate written notice thereof. Landlord shall have not more than (30) days after date of such notification to notify Tenant in writing of Landlord's intentions to repair or rebuild said Premises or the part so damaged as aforesaid, and if Landlord elects to repair or rebuild said Premises, Landlord shall prosecute the work of such repairing or rebuilding without unnecessary delay, and during the period of damage or destruction until the Premises are restored to the condition existing prior to such damage or destruction the rent of said Premises shall be abated in the same ratio that that portion of the Premises rendered for the time being unfit for occupancy shall bear to the whole of the Premises. If Landlord shall fail to give the notice aforesaid, Tenant shall have the right to declare this Lease terminated effective as of the date of such damage or destruction by written notice served upon Landlord.

In the event the Building in which Premises are located shall be damaged (even though the Premises hereby leased shall not be damaged thereby) to such extent that, in the opinion of Landlord, it shall not be practicable to repair or rebuild, or is destroyed, then Landlord or Tenant may terminate this Lease by written notice to the other served within thirty (30) days after such damage or destruction.

12. **ADVERTISING AND WINDOWS.** Landlord to provide a location(s) on the Property for Tenant's signage. Tenant shall be responsible for the cost of the sign, including permits, installation, maintenance, power, and removal. All signage to be to Landlord specifications, prior approved by Landlord and in full compliance with all applicable governmental codes, ordinance and regulations. Tenant, at Tenant's sole expense, shall be authorized to install sign identification on the monument sign fronting Northern Lights Blvd at the location approved by Landlord, the designs of which shall be approved by Landlord prior to installation. Any use of banners will need prior approval by Landlord. Except for the foregoing, Tenant shall not inscribe any inscription or post, place or in any manner display any sign, notice, picture, placard or poster or any advertising matter whatsoever anywhere in or about the Premises or the Building at places visible (either directly or indirectly as an outline or shadow on a glass pane) from anywhere outside the Premises without first obtaining Landlord's written consent thereto. Tenant shall use window coverings that conform to standards set by Landlord. Tenant, at its expense, in the event it exercises its purchase option, shall have the right to install signage on the building fascia in addition to any other signs allowed in this Agreement, subject to the same Landlord approval requirements set forth above.

13. **PERSONAL PROPERTY TAXES.** Tenant shall pay or cause to be paid before delinquency any and all taxes levied or assessed and which become payable during the term hereof upon all Tenant's leasehold improvements, equipment, furniture, fixtures and any other personal property located in the Premises. In the event any or all of Tenant's leasehold improvements, equipment, furniture, fixtures and other personal property shall be assessed and taxed with the real property, Tenant shall pay to Landlord its share of such taxes within ten (10) days after delivery to Tenant by Landlord of a statement in writing setting forth the amount of such taxes applicable to Tenant's property. Landlord shall pay or cause to be paid before delinquency any and all taxes and assessments levied upon the property on which the Premises are located.

14. **RULES AND REGULATIONS.** Tenant shall faithfully observe and comply with the rules and regulations as may be implemented by Landlord, with written notice to Tenant.

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15. **LIENS AND INSOLVENCY.** Tenant shall keep the Premises and the Building free from any liens arising out of any work performed, materials ordered, or obligations incurred by Tenant. If Tenant becomes insolvent or voluntarily or involuntarily bankrupt or if a receiver, assignee or other liquidating officer is appointed for the business of Tenant and if the receivership, assignment or other liquidating action is not terminated within sixty (60) days of any such appointment, then Landlord may terminate this Lease and Tenant's right of possession under this Lease, at Landlord's option. Tenant shall have no authority, express or implied, to create or place any lien or encumbrance of any kind or nature whatsoever upon, or in any manner to bind, the interest of Landlord in the Premises or to charge the rentals payable hereunder for any claim in favor of any person dealing with Tenant, including those who may furnish materials or perform labor for any construction or repairs, and each such claim shall affect and each such lien shall attach to, if at all, the leasehold interest granted to Tenant by this instrument. Tenant shall have the right to encumber (i) its properties including trade fixtures, equipment and leasehold improvements in, or about the Premises; and (ii) its right, title and interest under this Lease upon the consent of Landlord which shall not be unreasonable withheld.

16. **DEFAULTS.** The occurrence of any one or more of the following events shall constitute a default and breach of this Lease by Tenant:

16.1 **Vacation of Premises.** The vacating or abandonment of the Premises by Tenant, refer to Section 22.

16.2 **Failure to Provide Rent.** The failure by Tenant to provide rent as described in Section 4 or any other payment required to be made by Tenant hereunder as and when due, where such failure shall continue for a period of fifteen (15) days after written notice thereof by Landlord to Tenant;

16.3 **Failure to Perform Covenants.** The failure by Tenant to observe or perform any of the covenants, conditions, or provisions of this Lease to be observed or performed by Tenant, other than described in Section 16.2 above, where such failure shall continue for a period of thirty (30) days after written notice thereof by Landlord to Tenant; provided, however, that if the nature of Tenant's default is such that more than thirty (30) days are reasonably required for its cure, then Tenant shall not be deemed to be in default if Tenant commences such cure within said thirty (30) day period and thereafter diligently prosecutes such cure to completion; and

16.4 **Renewed Default.** The commission by Tenant of any default described above a second time and within two (2) months following the time when Tenant has been given notice of such a default under Section 16.2 or Section 16.3 and has cured the same within the permitted time.

17. **REMEDIES IN DEFAULT.** In the event of any such default or breach by Tenant, Landlord may, at any time thereafter, in its sole discretion, upon notice and demand and without limiting Landlord in the exercise of a right or remedy which Landlord may have by reason of such default or breach:

17.1 **Termination.** Terminate Tenant's right to possession of the Premises by any lawful means, in which case this Lease shall terminate and Tenant shall immediately surrender possession of the Premises to Landlord. In such event, Landlord shall be entitled to recover from Tenant all damages incurred by Landlord by reason of Tenant's default, including but not limited to the cost of recovering possession of the Premises; expenses of reletting, including reasonable attorneys' fees; the worth at the time of award by the court having jurisdiction thereof of the amount by which the unpaid rent and other charges and Additional Charges called for herein for the balance of the Lease term exceeds the amount of such loss for the same period that Landlord recovered or reasonably could have recovered; and that portion of any leasing commission or tenant improvement, if applicable, paid by Landlord and applicable to the unexpired term of this Lease. Unpaid installments of rent or other sums shall bear interest from the date due at the maximum legal rate;

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17.2 Enforce Rights. Maintain Tenant's right to possession, in which case this Lease shall continue in effect whether or not Tenant shall have abandoned the Premises. In such event, Landlord shall be entitled to enforce all of Landlord's rights and remedies under this Lease, including the right to payment of the rent and any other charges and Additional Charges as they become due hereunder, subject to its obligation to mitigate damages; or

17.3 Other Remedies. Pursue any other remedy now or hereafter available to Landlord under the laws or judicial decisions of the state in which the Premises are located.

18. PRIORITY. Tenant agrees that this Lease shall be subordinate to any mortgages or deeds of trust now or at any time hereafter constituting a lien upon the Premises or the Building containing the same, to any and all advances to be made thereunder, and to the interest thereon, and to all renewals, replacements and extensions thereof; provided that the mortgagees or the beneficiaries named in said mortgages or deeds of trust shall agree to commercially reasonable SNDA language recognizing this Lease in the event of foreclosure if Tenant is not in default hereunder and if Tenant attorns to the mortgagee. Within five (5) days after written request from Landlord, Tenant shall execute any documents that may be necessary or desirable to effectuate the subordination of this Lease to any such mortgages or deeds of trust and shall execute estoppel certificates as requested by Landlord from time to time in the standard form of any such mortgagee or beneficiary.

19. CONDEMNATION. If all of the Premises or any portion of the Building or the Property as may be required for the reasonable use of the Premises shall be taken by eminent domain (or by a voluntary conveyance made in lieu of a taking by eminent domain), this Lease shall automatically terminate as of the date Tenant is required to vacate or will be deprived of the reasonable use of the Premises, the Building or the Property, and all rentals shall be paid to that date. In the case of taking of a part of the Premises, the Building or the Property, Tenant may, at its election, terminate this Lease by notice in writing to Landlord within (10) days after the receipt by Tenant of written notice of the proposed taking, and with any such notice by Tenant to Landlord to be effective on a date which shall be specified by Tenant in the notice but shall be no later than thirty (30) days after the date of the giving of notice. If within said thirty (30) day period Tenant does not exercise its right to terminate this Lease because of such partial taking of a part of the Premises this Lease shall continue in full force and effect, and the rental shall be equitably reduced based on the proportion by which the floor area of the Premises or reasonable use of such Building or the Property is reduced, such rent reduction to be effective as of the date when possession of such portion is delivered to the condemning authority. Landlord reserves all rights to damages to the Premises for any taking by eminent domain of its reversionary interest, and Tenant hereby assigns to Landlord any right Tenant may have to such damages or award. Tenant shall have the right, however, to claim and recover from the condemning authority compensation for any loss to which Tenant may be put for Tenant's leasehold improvements, personal property, moving expenses and for the interruption or other damage to Tenant's business.

20. PARKING AND COMMON AREAS.

20.1 Landlord's Obligations and Rights. Landlord covenants that there shall be an area for common areas and parking areas for the exclusive use of Tenant during the full term of this Lease.

20.2 Tenant's Rights. Tenant, for the use and benefit of itself and its agent, employees, customers, and licensees, shall have the right in common with Landlord to use said common and parking areas, driveways, alleys and sidewalks during the entire term of this Lease for ingress, egress and automobile parking.

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20.3 Rules and Regulations. Tenant, in the use of said common and parking areas, agrees to comply with such reasonable rules and regulations and charges for parking as Landlord may adopt from time to time for the orderly and proper operation of said common and parking areas. Such rules may include but shall not be limited to the regulation of the removal, storage and disposal of Tenant's refuse and other rubbish.

21. ENERGY CONSERVATION LEGISLATION. In the event that any legislative enactment or decree of governmental authority shall require fundamental changes in the heating, lighting and electrical systems or the fuel or power source utilized by such systems, Landlord reserves the right, at any time and from time to time, to make changes in, additions to, subtractions from or rearrangements of the Premises and the common areas of the Building to accommodate the required changes to the said systems or conversion to a different fuel or power source; and Landlord reserves the right to install a central heating system to serve all Premises in the Building and to erect, use and maintain wiring, mains, pipes, conduits and other means of distributing heat to the Premises and in and through the Premises for the benefit of other portions of the Building; and Landlord and all persons authorized by it shall have the right, from time to time, to enter upon the Premises for the purpose of access thereto for installation, maintenance and repair, and such entry shall not be deemed to be an interference with Tenant's possession under this Lease. In the event Landlord is obligated to carry out such conversion, Tenant agrees to reimburse Landlord for its proportionate share of the costs of operating said central heating systems and to utilize the said central heating system in the place and stead of Landlord's existing heating system. Such repairs, alterations, additions or improvements shall be effected at such times and in such manner as to cause as little interruption to Tenant as possible. So long as Landlord shall not interfere with Tenant's business in the Premises more than is reasonably necessary in the conduct of such repairs, changes, improvements and alterations, Tenant shall not have any right to object. All of the alterations, improvements, repairs or additions mentioned in this paragraph made in compliance with and by reason of legislative enactment or decree of governmental authority shall be made without any claim for damages or indemnification against Landlord or diminution or abatement of rent, unless such activities unreasonably interfere with Tenant's use of the Premises or damage is caused to Tenant's properties by the neglect or misconduct of Landlord or its agents, employees, contractors or invitees.

22. CONTINUED OCCUPANCY BY TENANT.

22.1 Hours of Business. Tenant shall continuously during the entire term hereof conduct and carry on Tenant's business in the Premises and shall keep the Premises open for business and cause Tenant's business to be conducted therein during the usual business hours of each and every business day as is customary for businesses of like character in the city in which the Premises are located to be open for business; provided, however, that this provision shall not apply if the Premises would be closed and the business of Tenant temporarily discontinued therein on account of strikes, lockouts or similar causes beyond the reasonable control of Tenant.

22.2 Continued Occupancy. Tenant acknowledges that Landlord will suffer substantial damage if the Premises are left vacant or are vacated by Tenant during the term of this Lease, even in the event Tenant continues to pay rent as required hereunder. Tenant therefore covenants that it shall occupy and utilize the entire Premises in the active conduct of its business during the whole of the Lease term hereof and shall conduct such business in a reputable, diligent and energetic manner.

23. NONWAIVER. Waiver by Landlord or Tenant of any breach of any term, covenant or condition herein contained to be performed by the other party shall not be deemed to be a waiver of such term, covenant or condition or of any subsequent breach of the same or any other term, covenant or condition herein contained. The subsequent acceptance of rent hereunder by Landlord shall not be deemed to be a waiver of any preceding breach by Tenant of any term, covenant or condition of this Lease, other than the failure of Tenant to pay the particular rental so accepted, regardless of Landlord's knowledge of such preceding breach at the time of acceptance of such rent.

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24. **SURRENDER OF POSSESSION.** Upon expiration of the term of this Lease, whether by lapse of time or otherwise, Tenant shall promptly and peacefully surrender the Premises to Landlord.

25. **HOLDING OVER.** If Tenant shall, with the written consent of Landlord, hold over after the expiration of the term of this Lease, such tenancy shall be for an indefinite period of time on a month-to-month tenancy, which tenancy may be terminated as provided by the laws of the State of Alaska. During such tenancy, Tenant agrees to pay Landlord rent at the rate of One Hundred Twenty-five percent (125%) of the rental as set forth herein, unless a different rate shall be agreed upon, and to be bound by all of the terms, covenants and conditions herein specified, so far as applicable.

26. **ASSIGNMENT AND SUBLETTING.** Tenant shall not assign this Lease or sublet the said premises, or any part thereof, or any right or privilege appurtenant thereto or suffer any other person to use or occupy said Premises or any portion, without the written consent of Landlord first had and obtained, which consent shall not be unreasonably withheld; and consent to one assignment, subletting, occupation or use by any other person shall not be deemed to be a consent to any subsequent assignment, subletting, occupation or use by another person; any assignment or subletting which is consented to by the Landlord shall not relieve the Tenant herein of responsibility under this Lease. However, Tenant may sublet portions of the Premises to a related imaging or other medical tenant without release of the assignor, but without the need for consent.

Tenant's interest in all sub-Leases shall be assigned to Landlord as security for payment of rents and performance of covenants herein required.

27. **NOTICES.** All notices under this Lease shall be in writing and delivered in person or sent by registered mail, return receipt requested, to Landlord at the same place rent payments are made and to Tenant at the Premises or to such other respective addresses as may hereafter be designated by either party in writing. Notices mailed as aforesaid shall be deemed given on the date of such mailing.

28. **COSTS AND ATTORNEYS' FEES.** If by reason of any default on the part of a party it becomes necessary for either party to employ an attorney, or in case either party shall bring suit to recover any rent due hereunder or for breach of any provision of this Lease or to recover possession of the Premises, or if Landlord shall bring an action for any relief against Tenant, declaratory or otherwise, arising out of this Lease, and the non-defaulting party shall prevail in such action, then and in any such events the non-defaulting party shall pay a reasonable attorneys' fee and all costs and expenses expended or incurred by the non-defaulting party in connection with such default or action.

29. **LANDLORD'S ACCESS.** Landlord and its agent shall have the right to enter the Premises at reasonable times with reasonable notice for the purpose of inspecting it, showing it to prospective purchasers or lenders and making such repairs as Landlord may deem necessary or desirable. Landlord may, at any time, place on or about the Building any ordinary "For Lease" signs and may, during the last ninety (90) days of the term of this Lease, place on or about the Premises any ordinary "For Sale or Lease" signs, without rebate of rent or liability to Tenant. Tenant may have a representative present during inspections to ensure compliance with HIPAA and similar laws.

30. **CAPTIONS AND CONSTRUCTION.** The titles to the sections of this Lease are not a part of this Lease and shall have no effect upon the construction or interpretation of any part hereof.

31. **REMOVAL OF PROPERTY.** If Tenant shall fail to remove any of its property of any nature whatsoever from the Premises or the Building at the termination of this Lease or when Landlord has the right of reentry, Landlord may, at its option, remove and store said property without liability for loss thereof or damage thereto, such storage to be for the account and at the expense of Tenant. If Tenant

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shall not pay the cost of storing any such property after it has been stored for a period of thirty (30) days or more, Landlord may, at its option, sell or permit to be sold any or all of such property at public or private sale or such commercially reasonable terms and conditions as Landlord in its sole discretion may deem proper, without notice to Tenant, and shall apply the proceeds of such sales as follows: first, to the cost and expense of such sale, including reasonable attorneys' fees actually incurred; second, to the payment of the costs or charges for storing any such property; third, to the payment of any other sums of money which may then be or thereafter become due Landlord from Tenant under any of the terms hereof; and fourth, the balance, if any, to Tenant.

32. **SUCCESSORS.** All of the covenants, agreements, terms and conditions contained in this Lease shall apply to and be binding upon Landlord and Tenant and their respective heirs, executors, administrators, successors and assigns, except as expressly limited herein.

33. **ACCEPTANCE OF PREMISES.** Tenant shall accept the Premises "as is" at the commencement of the term of this Lease and in their then present condition and subject to all applicable zoning, municipal, county, borough, and state laws, ordinances and regulations governing and regulating the use of the Premises and accept this Lease subject thereto and all matters disclosed thereby and by any exhibits attached hereto. Tenant acknowledges that neither Landlord nor Landlord's agents have made any representation or warranty as to the suitability of the Premises for the conduct of Tenant's business. Tenant warrants that prior to its execution of this Lease, it has fully researched and accepts the requirements and restrictions for zoning and permitting applicable to the Property as they apply to Tenant's intended use of the Premises and that it has satisfied itself as to the restrictions and requirements for signage to be placed or erected at the Premises or upon the Property.

34. **SALE OF PREMISES BY LANDLORD.** During the period that the Option to Purchase is in effect, Landlord covenants not to enter into an agreement to sell the Property to any other party. After the term of the Option, in the event of any sale of the Premises by Landlord, Landlord shall be and hereby is entirely freed and relieved of all liability under any and all of its covenants and obligations contained in or derived from this Lease arising out of any act, occurrence or omission occurring after the consummation of such sale; and the purchaser at such sale or any subsequent sale of the Premises shall be deemed, without any further agreement between the parties or their successors in interest or between the parties and any such purchaser, to have assumed and agreed to carry out any and all of the covenants and obligations of Landlord under this Lease.

35. **TENANT'S STATEMENT.** Landlord and Tenant shall, at any time and from time to time, upon not less than five (5) days prior written notice from the other party execute, acknowledge and deliver to other party a statement in writing: (a) certifying that this Lease is unmodified and in full force and effect (or, if modified, stating the nature of such modification and certifying that this Lease as so modified is in full force and effect) and the date to which the rental and other charges are paid in advance, if any; (b) acknowledging that there are not, to the party's knowledge, any uncured defaults on the part of the other party hereunder or specifying that such defaults, if any, are claimed; and (c) setting forth the date of commencement of rents and expiration of the term hereof. Any such statement may be relied upon by the prospective purchaser or encumbrancer of all or any portion of the real property of which the Premises are a part.

36. **ENTIRE AGREEMENT.** This Lease sets forth the entire understanding and agreement of Landlord and Tenant with respect to the Premises and the Lease thereof, and all prior understandings or agreements are merged herein. This Lease may be amended or modified only in writing signed by both parties.

37. **BROKERS COMMISSION.** Tenant represents and warrants that it has incurred no liabilities or claims for brokerage commissions or finders' fees in connection with the execution of this Lease, and that it has neither dealt with nor has it had any knowledge of any real estate broker, licensee

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or sales person in connection with this Lease except Commercial Real Estate Alaska and Re/Max Properties, Inc. Tenant agrees to indemnify and hold Landlord harmless from all such liabilities or claims including, without limitation, attorney's fees and costs. The Landlord is responsible for payment of commissions to the real estate broker(s) in accordance with a separate agreement.

38. **LICENSEE RELATIONSHIPS:** The Landlord and Tenant acknowledge the following:

a) Listing Licensee(s), Curt Nading and Season Baker with Commercial Real Estate Alaska, LLC are representing the Landlord exclusively.

b) Leasing Licensee(s), Dan Wolf with Re/Max Properties, Inc. is representing the Tenant exclusively.

39. **RECORDING.** Tenant shall not record this Lease without the prior written consent of Landlord. However, upon request of either party, both parties shall execute a memorandum or "short form" of this Lease for the purposes of recordation in a form customarily used for such purposes. Said memorandum or short form of this Lease shall describe the parties, the Premises and the Lease term, and shall incorporate this Lease by reference.

40. **LEASE NOT AN OFFER.** The submission of this Lease to Tenant shall not be construed as an offer, nor shall Tenant have any rights with respect thereto unless and until Landlord executes a copy of this Lease and delivers the same to Tenant.

41. **HAZARDOUS SUBSTANCE DISCLOSURE.** Landlord and Tenant shall promptly disclose to each other, in writing, if they know, or have reasonable cause to believe, that any toxic dangerous, or hazardous substance, as those terms are defined under federal, state, or local law, has come to be located in, on, or about, over, or beneath the Premises, the Building or the Property. In addition, Tenant shall execute a written statement to Landlord no later than thirty (30) days after the end of each lease year describing in detail any and all toxic, dangerous, or hazardous substances, as those terms are defined under federal, state, or local law, which Tenant knows, or has reasonable cause to believe, have come to be located in, on, about, over, or beneath their premises, or that there are no toxic, dangerous, or hazardous substances in, on about, over, or beneath the premises.

41.1 **Hazardous and Toxic Substances.** Tenant agrees that so long as this Lease shall remain in effect, that the Property described herein shall NOT be used in or for the generation, manufacture, storage, treatment, disposal, release or threatened release of any hazardous or toxic substances, including medical waste, as those terms are defined in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended 42U.S.C. Section 9601, et seq. (1980), and as those terms are defined in any applicable state or local laws, or regulations, except that Tenant may store medical waste in containers approved for such storage and in amounts allowed by governmental rules or regulations governing such storage, and shall properly dispose of such medical waste in compliance with all rules and/or regulations relating thereto. Tenant agrees to fully indemnify and hold harmless Landlord against any and all claims and losses resulting from a breach of this provision of this Lease. This obligation to indemnify shall survive the payment of all rents and the termination of this Lease.

42. **FORUM SELECTION.** This Lease shall be construed in accordance with the laws of the State of Alaska. Should any legal proceeding be necessary under this Lease, the same shall be commenced in the Superior Court for the State of Alaska, Third Judicial District at Anchorage, Alaska. Tenants agree specifically that venue and jurisdiction in that court is proper, and further agree to submit themselves to the jurisdiction of that court. Tenants shall not claim that said forum is an inconvenient forum.

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43. **AUTHORITY.** Landlord and Tenant, by their signatures below, warrant that they have read and understand this Lease and that the terms and conditions contained herein represent the full and complete agreement of the parties. If Tenant is a corporation or limited liability company, each individual executing this Lease on behalf of the entity represents that they are duly authorized to execute and deliver this Lease on behalf of the corporation or limited liability company, in accordance with duly adopted resolutions of the board of directors of the corporation or limited liability company, that such action and execution is in accordance with the bylaws of the corporation or operating agreement of the limited liability company, and that the Lease is binding upon the corporation or limited liability company in accordance with its terms. Landlord represents that he/she/they is/are in sole title to the Premises and has unchallenged authority to enter into this Lease and to be bound by the terms contained herein.

Landlord: All Holdings LLC

By: 

Bret Mason

Title: Manager

Date: 9/21/18

Tenant: Cable & McCormick, APC

By: 

John McCormick
Its President

Date: 9/19/18

By: 

Harold Cable
Its: Secretary

Date: 9/19/18

EXHIBIT A

Legal Description

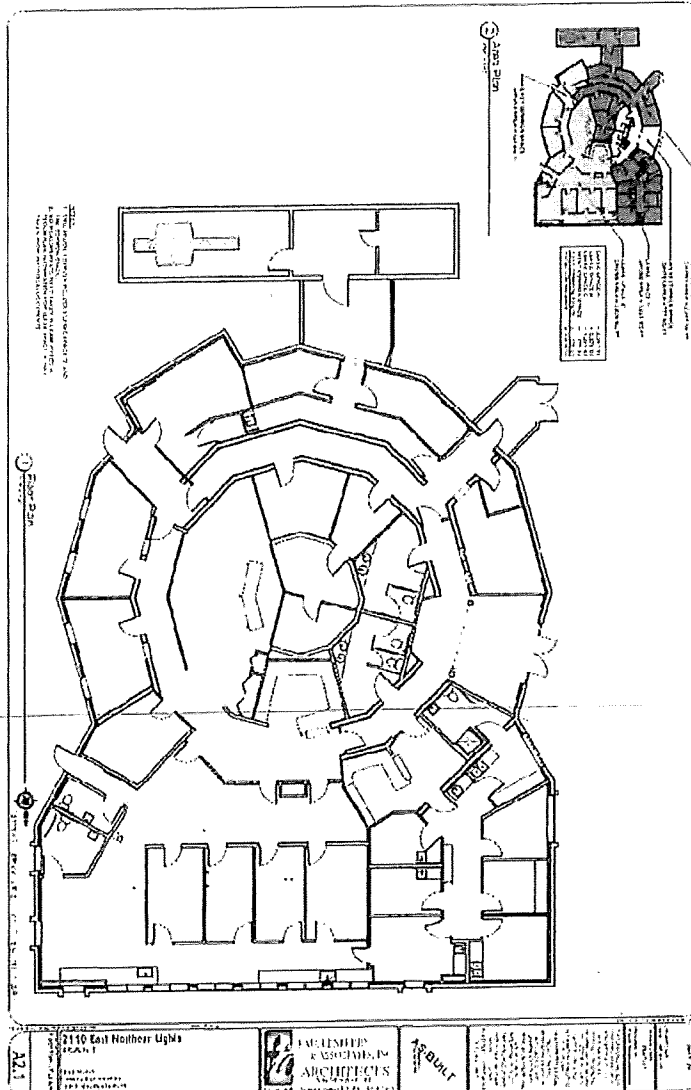
Lot 4B, Block 1, College Village Subdivision
Anchorage Recording District, Third Judicial District, State of Alaska.

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SCHEDULE "A"

PURCHASE AND SALE AGREEMENT

Selling Licensee: Dan Wolf
Re/Max Dynamic Properties
(907) 865-4700, or fax (907) 865-4750
dan@wolfhomes.net

Listing Licensee: Curt Nading
Commercial Real Estate Alaska, LLC
(907) 561-2220, or fax (907) 561-4845
curt@crealaska.com

Date: September __, 2018

Buyer: John McCormick and Harold Cable and/or an entity
formed by them

Seller: All Holdings, LLC

Subject to and on the terms and conditions herein set forth, and subject to the Buyer providing timely written notice to Seller of their election to exercise their Option to Purchase the Property (the "Option"), as such Option is provided in the Building Lease dated September 19, 2018 (hereinafter referred to as the "Building Lease") covering the Property, Seller hereby agrees to sell, assign and convey to Buyer, and Buyer hereby agrees to purchase and acquire from Seller, all of Seller's rights, title and interest in and to the real property, improvements and personal property appurtenant thereto (hereinafter collectively "Property") as described below.

I. SUBJECT PROPERTY:

1. Real property and improvements situated in the Anchorage Recording District, Third Judicial District, State of Alaska commonly known as 2110 E. Northern Lights Boulevard, Anchorage, Alaska 99508 and legally described as Lot Four "B" (4B), Block One (1), COLLEGE VILLAGE SUBDIVISION, identified by Municipal tax parcel # 003-211-32-000.

2. The Buyer may elect to purchase medical equipment from Seller that is currently installed in the Property. In terms of the MRI, such transaction will be by either an assignment (with release of Seller and condition on approval of the owner of the MRI) of the current MRI Lease as a well as an assignment of all purchase rights to the MRI, which assignment shall be without any mark-up of the price or lease rate. . Any other medical equipment will be sold only if the

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parties are able to agree on price. The transfer of and payment for the personal property may be handled under the same escrow.

II. EFFECTIVE DATE:

The effective date of this Agreement shall be the date on which Buyer delivers notice to Seller in writing of its election to exercise the Option (the "Effective Date"). All dates for the performance of an act by either party in this Agreement shall then be established by use of the Effective Date as the starting date for each calculation.

III. PURCHASE PRICE:

1. Purchase price shall be **\$1,500,000.00** cash at closing.
2. Within three (3) days of the Effective Date, Buyer shall deposit into escrow at Fidelity Title Insurance Agency ("Escrow Agent"), the sum of **\$15,000.00** as earnest money and part payment for the Property to be applied to the Purchase Price at Closing or in the event the sale does not close, then as specified in this Agreement.

IV. DUE DILIGENCE AND "AS IS":

1. The Buyer shall satisfy, at Buyer's sole discretion, any and all issues, concerns, questions and/or research regarding the Property and its improvements during a due diligence period which shall commence on the Effective Date and shall expire **forty-five (45)** days thereafter unless otherwise extended as provided in Article VI, Section 8, (the "Due Diligence Period"). Seller agrees to provide to Buyer during the Due Diligence Period with any documentation, reports, investigations, leases, income and expense statements, plans, surveys, warranties, repair and maintenance records, and any other pertinent information which may reasonably be requested by the Buyer, and that is in the Seller's possession, custody and control. Buyer shall deliver an initial list of due diligence items it wants Seller to provide within two (2) days from the Effective Date and Seller will deliver all such due diligence items in Seller's possession to Buyer within five (5) days of such request. Additional requests may be made during the Due Diligence Period by Buyer up to the expiration of the Due Diligence Period.
2. Buyer acknowledges that Seller is selling the Property in it's present "AS IS, WHERE IS CONDITION" and that Seller makes no representations or warranty, expressed or implied, as to the Property or the improvements thereon or as to value, condition, state of maintenance or repair, fitness

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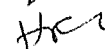
for use, access, availability of utilities, compliance with law (including without limitation building codes, safety codes, zoning laws and ordinances, and environmental laws), or the condition of any other thing related to or affecting the Property or its improvements (collectively the "Property Condition") all of which Buyer shall investigate during its Due Diligence Period. Buyer acknowledges that, pursuant to the Agreement, Buyer is being afforded, without limitation, the opportunity to inspect the Property and its improvements as well as any and all legal records or public files concerning the Property. Buyer agrees to conduct or cause to be conducted within the Due Diligence Period such investigations and perform any and all due diligence/studies Buyer deems necessary in order to ascertain the condition and suitability of the Property for Buyer's intended purpose and confirm that the Property meets Buyer's needs. If Buyer lacks the expertise to conduct the inspections, investigations, studies, and tests of property such as the Property, Buyer acknowledges that it shall retain the services of persons qualified to provide such expertise to ensure a thorough and careful examination of the Property. Buyer represents that it will solely rely upon the results of such inspections with respect to the Property Condition and Buyer acknowledges that the improvements to the real property are not new, but rather are used, and the Buyer accepts the risk that there may be unknown and even undiscoverable defects to the improvements to the Property. Buyer agrees that, if Buyer fails to conduct any such inspections, Buyer will nonetheless be deemed to have knowledge of any defects in the condition or status of the Property which would have been discovered if such inspections had been conducted. Buyer acknowledges that the allocation of risk related to Property Condition contained in this provision were a material factor in the negotiation of the purchase price for the Property. Buyer acknowledges and warrants that Buyer's closing of the purchase of the Property shall signify unconditionally that Buyer had every opportunity and access desired by Buyer to inspect the Property and that Buyer accepts the Property and the Property Condition in the present "AS IS, WHERE IS CONDITION" with no representations or warranty from Seller, expressed or implied.

3. Should the Buyer in their sole discretion, reject the Property for any reason whatsoever prior to the expiration of the Due Diligence Period by written notice to the Seller, this Agreement and the Option shall be terminated and of no further force or effect to the parties and the Buyers earnest money shall be returned in full to Buyer, within ten (10) days of such termination without the need for demand.
4. Except as otherwise set forth herein, the Buyer's earnest money deposit shall become non-refundable to the Buyer at the conclusion of the Due

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Diligence Period (unless Buyer earlier elects to waive in writing the balance of the Due Diligence Period and proceed to closing, in which case the earnest money deposit shall become non-refundable at that time), so long as Buyer has not tendered a written rejection of the Property prior to the expiration of the Due Diligence Period.

V. CONTINGENCIES:

1. The Buyer is purchasing the Property subject to the following terms:

a. This offer is subject to Buyer's review and approval of a preliminary commitment for title and copies of the exception documents it discloses, showing the condition of the title to the Property. Upon execution of this Agreement by all parties, Seller will, at Seller's sole expense, promptly order the title report and exceptions from Fidelity Title Insurance Agency ("Title Company") and furnish to Buyer at least twenty (20) days before the end of the Due Diligence Period. Upon receipt of the report and exceptions, Buyer shall have until the expiration of the Due Diligence Period, described above, within which to notify Seller, in writing, of any matters disclosed in the report which are unacceptable to Buyer. Buyer's failure to timely object, in writing, to any matters disclosed in the report shall constitute acceptance of the report. Seller will prior to closing, remove or correct the matter(s) identified by Buyer that are clouds on the title that render the title unmarketable. Buyer may elect to pay the Title Company to remove or endorse exceptions that do not affect the marketability of the title or to accept the title with such exceptions. All financial liens against the Property will be satisfied from the sale proceeds and discharged at closing. The deed delivered at closing shall only be subject to exceptions not objected to by Buyer, unless Buyer in his sole discretion elects to waive such exception(s).

VI. TERMS AND CONDITIONS:

1. Seller warrants and represents that the only existing lease on the Property is with Buyer. At closing, the parties will execute an estoppel certificate in a form reasonably acceptable to all parties and Buyer's lender, certifying that all sums owed under the lease are settled as of closing and neither party is in default of the lease. Seller shall not enter into any other leases or any other agreement for the sale or transfer of the Property without the prior written approval of Buyer.
2. This transaction shall close within 30 days following the expiration of the Due Diligence Period. Seller and Buyer agree before recording can take place, funds provided to the Closing Agent shall be in the form of cash;

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interbank electronic transfer; money order; a certified check or cashier's check drawn on a financial institution located in the state; or any combination that permits the Closing Agent to convert the deposit to cash not later than the next business day (AS 34.80.040).

3. Possession shall be given to the Buyer upon recording of the deed. Buyer as the current tenant in the Property shall satisfy all outstanding obligations of the Building Lease at closing, except that the final reconciliation of CAM under the Building Lease shall be calculated and reported to Buyer once completed and any shortfall or overpayment shall be allocated as a closing cost. The last months costs, if not available shall be estimated using the prior month's costs adjusted seasonally and such estimate agreed upon by the parties shall be final for closing. The Seller/Landlord shall maintain the Property in its current condition in accordance with the terms of the Building Lease, except for those repair and maintenance obligations of Buyer/Tenant as contained in the Building Lease.
4. Seller shall pay the following closing costs:
 - a) 1/2 recording fee
 - b) 1/2 documentation preparation fee
 - c) 1/2 escrow closing fee
 - d) 1/2 tax registration
 - e) All Assessments levied as of the date of recording
 - f) Own attorney's fees
 - g) Standard Owners Title Insurance Policy and Preliminary Commitment for Title Insurance
 - h) Real estate commission to Commercial Real Estate Alaska, LLC and Re/Max Dynamic Properties equal to 5% of the sales price split 50/50
 - i) As-Built survey or recertification
 - j) Re-conveyance fee
 - k) Warranty Deed
5. Buyer shall pay the following closing costs:
 - a) 1/2 recording fee
 - b) 1/2 documentation preparation fee
 - c) 1/2 escrow closing fee
 - d) 1/2 tax registration fee
 - e) Own attorney fees
 - f) Loan origination and application fees
 - g) All other lender fees customary for similar financing
 - h) ALTA title insurance policy required by Lender
 - i) Appraisal fee

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j) Phase I Environmental

6. The Option Fee, as described in the Building Lease, shall be credited to the Buyer on the settlement statement at closing.
7. Property taxes shall be prorated to the date of recording the deed. Rents shall be prorated to the date of recording the deed and the security deposits, if any, shall be transferred to the Buyer as a credit on the settlement statement, at closing.
8. Time is of the essence in this contract but either party may, with written notice, extend one time the date for performance for a period not to exceed Fifteen (15) days.
9. Seller will furnish a good and sufficient Warranty Deed at closing, showing marketable title free and clear of the objections and all other title exceptions agreed to be removed as a part of this transaction.
10. This agreement is not assignable, except to an entity that the Buyers have a majority ownership in.
11. In the event that Seller fails to perform the obligations set forth in this Agreement (except as excused by Buyer's Default), Buyer will make written demand for performance. If the Seller fails to comply with such written demand within ten (10) days after receipt thereof, Buyer will have the option to waive such default, demand specific performance, or terminate this Agreement and, on such termination, the earnest money will be returned in full to Buyer.
12. In the event that Buyer fails to perform the obligations set forth in this Agreement (except as excused by Seller's Default), Seller will make written demand for performance. If the Buyer fails to comply with such written demand within ten (10) days after receipt thereof, Seller will have the option to waive such default or terminate this Agreement and, on such termination, the earnest money will be forfeited to the Seller in full. SELLER AND BUYER AGREE THAT THE ECONOMIC DETRIMENT TO THE SELLER RESULTING FROM THE REMOVAL OF THE PROPERTY FROM THE MARKET DURING THE TERM OF THIS AGREEMENT IS DIFFICULT TO ASCERTAIN AND AGREE THAT A REASONABLE ESTIMATE OF SELLER'S DAMAGES IN THE EVENT BUYER FAILS TO PERFORM ITS OBLIGATIONS UNDER THIS AGREEMENT IS THE AMOUNT OF THE EARNEST MONEY DEPOSIT AND WOULD BE THE SOLE REMEDY FOR THE SELLER.

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13. Buyer is advised to research land use, building regulations, zoning, CC&R's, utility locations, code compliance, status of permits issued, availability and cost of insurance, the possible existence of mold or asbestos or radon or other substances/gases known to cause health issues, and any other issues which may affect the Property and/or the Buyer's intended use of the Property. Buyer's research of such issues will need to be concluded prior to the expiration of the Due Diligence Period provided in Article III, Section 1 above in the event Buyer would desire to terminate this Agreement based on a rejection of the Property.
- a. Title 21 Zoning Re-Write. The Municipality of Anchorage has re-written Title 21 Land Use Regulations and continues to amend such regulations. This process could have resulted in changes to the zoning designation and use of the Property. You should review and become familiar with the zoning and use regulations currently affecting the Property. You may further research this process and possible changes to your prospective Property by contacting the Municipality of Anchorage Planning and Zoning Department (907) 343-7921, or online at www.muni.org.
- b. The State of Alaska maintains a list of properties that have been identified as illegal drug manufacturing sites by Alaska law enforcement agencies. For more information on this subject and to obtain a list of these properties, go to www.dec.state.ak.us/spar/perp/methlab. You are encouraged to research this issue.
14. This document and the referenced attachment(s), if any, contain the entire Agreement between the parties. There are no understandings, oral or written, which in any manner change or enlarge what is set forth herein. The plural shall include the singular. It may not be modified except in writing signed by both parties.
15. It is mutually agreed upon by all parties that the Broker and/or their licensees shall not be held liable in any manner whatsoever for damages arising from defaults or acts by or upon the part of either party to this Agreement. Brokers and/or their licensees make no representations that the improvements meet current building code, safety or other requirements.
- a. Both Buyer and Seller acknowledge that Brokers are participants of the Alaska Multiple Listing Service, Inc. ("AK MLS") and are authorized to report details of the sale to the AK

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
MLS.


- b. Buyer and Seller authorize any lender, escrow agent, closing agent, appraiser, surveyor, lender, and any other related party to this transaction to furnish and provide, on request or closing, any and all information and copies of documents related to this transaction to both the Listing and Selling Brokers and their Licensees.

16. In the event that the Escrow Agent is unable to determine to his or her satisfaction which party is responsible for failing to perform the requirements of this Agreement, the Escrow Agent shall request the parties to execute an agreement for release of earnest monies to one or the other parties. The Escrow Agent need not disburse earnest monies until an Agreement is signed.
17. Due to varied methods of measuring square footage, Broker makes no guarantee as to the accuracy of figures quoted. Square footage should be independently measured by Buyer if exact calculations are desired as part of the due diligence conducted during the Due Diligence Period.
18. Buyer and Seller agree that a facsimile transmission of any original document shall have the same effect as an original. Any signature required on an original document shall be completed when a facsimile copy has been signed, except for documents to be recorded which required original signatures. ~~The parties agree that facsimile copies of documents shall be appended to the original thereof, integrated therewith and given full effect as if an original.~~
19. **Disclosure of Licensee Relationships and Conflicts of Interest:**
- a. The Seller and Buyer acknowledge the following:
- (i) Listing Licensee(s), Curt Nading and Season Baker are representing the Seller exclusively;
- (ii) Selling Licensee(s), Dan Wolf is representing the Buyer exclusively.
20. This transaction shall close in the escrow office of Fidelity Title Insurance Agency or such other location as may be agreed upon between the parties in writing.
21. The Foreign Investment in Real Property Tax Act ("FIRPTA") required every person who purchases real property located within the United States from a "foreign person" to deduct and withhold from the Seller's

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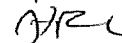
proceeds ten percent (10%) of the gross sales price, with certain exceptions, and to pay the amount withheld to the Internal Revenue Service. A "foreign person" includes non-resident alien individuals, foreign corporations, foreign partnerships, foreign trusts, and foreign estates. Seller and Buyer agree to execute and deliver, as appropriate, any instrument, affidavit or statement, and to perform any acts reasonable or necessary to comply with FIRPTA.

22. Seller covenants and warrants that, to the best of Seller's knowledge, except for covenants, conditions, restrictions recorded against the property and matters of title to be revealed in the Preliminary Commitment for Title, there are no other unrecorded or pending matters or agreements, written or verbal. Seller further warrants that they/it are the lawful owner of the Property and are not subject to any restrictions, orders, notices or other legal proceeding that would prevent the closing of this transaction in accordance to the terms herein agreed. Seller hereby confirms that they have not been informed, notified or otherwise become aware of any plans or intentions by the Municipality of Anchorage, State of Alaska or any other governmental body that would (i) limit or restrict access to or from the Property; or (ii) result in a taking of all or a portion of the Property; or (iii) create a variance for the use(s) allowed on adjoining properties; and that should Seller receive any notice or information on these or any other material issues affecting the Property prior to closing, Seller shall immediately inform Buyer.
23. In the event of loss or damage to the subject property by fire or other casualty prior to closing, or in the event a proceeding is instituted or threatened prior to closing for the taking of all or any portion of the subject property under the power of eminent domain, Buyer shall have the right by giving written notice to Seller within seven (7) days after the date of receipt of written notice of such casualty or taking, either to (i) consummate the purchase and sale in accordance with this Agreement, in which event Seller shall deliver to Buyer at closing an assignment to Buyer of all the right, title and interest, if any, which Seller may have in (A) the insurance payable under all insurance policies kept or maintained by Seller as a result of or in connection with such casualty and (B) the award payable by reason of the taking and concurrently therewith deposit into escrow the amount of any and all such proceeds or awards theretofore received by Seller; or (ii) terminate this Agreement effective as of the date such notice of termination is given to Seller, rendering this Agreement null and void with no further force or effect on the parties and the Buyer's earnest money, plus interest earned, shall be returned to Buyer, without demand, within 30 days of such termination.

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24. Each party represents that it has had an adequate opportunity to consult with its own tax, legal and other advisors prior to executing this Agreement. This Agreement has been initially drafted by Commercial Real Estate Alaska, LLC for the convenience of and with full disclosure to both parties. Buyer and Seller will have their own attorneys review this Agreement prior to signing and thus this Agreement when executed shall represent the agreement of the parties and the rule of construction that ambiguities are construed against the drafter shall not apply.
25. Attorneys' Fees: In the event either party brings an action at law or in equity to enforce or interpret or seek redress for breach of this Agreement, the prevailing party in such action shall be entitled to its litigation expenses and reasonable attorney's and witness fees in addition to all other appropriate relief.
26. Governing Law; Jurisdiction. This Agreement shall be construed and interpreted and the rights of the parties determined in accordance with the laws of the State of Alaska. Should any legal proceeding be necessary under this Agreement, the same shall be commenced in the Superior Court of the State of Alaska, Third Judicial District at Anchorage, Alaska. Buyer and Seller agree specifically that venue and jurisdiction in that court are proper, and further agree to submit themselves to the jurisdiction of that court as a result of any matter arising under this Agreement. Buyer and Seller shall neither claim that said forum is an inconvenient forum.
27. Either party may be participating in an IRC Section 1031 Tax Deferred Exchange. This may be a replacement or acquisition property required for the Exchangor to complete the exchange. Both parties agree to cooperate with one another in the exchange closing procedure. Each party shall be responsible for their own costs, fees or liability for participating in the exchange process. Both parties agree to sign documentation necessary to conclude the IRC 1031 Tax Deferred Exchange closing.
28. Time of Essence: Except as otherwise specifically provided in this Agreement, time is of the essence of this Agreement and each and every provision hereof.

BUYER ACKNOWLEDGEMENT OF OFFER

Buyer herein acknowledges that this agreement has significant legal and financial consequences and that he/they have been advised to seek independent legal and financial counsel. The Brokers and Licensees cannot give legal advice. Buyer agrees that closing of this sale will constitute an acknowledgement that

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Initial (L) *[Signature]*

[Signature]

the Property is acceptable as the time the sale is closed.

Buyer: **John McCormick and Harold Cable**

By: John J. McCormick

Title: President

Date: 9/19/18

By: [Signature]

Title: Secretary

Date: 9/19/2018

Name of Selling Broker's Office RE/Max Dynamic Properties

Licensee Signature _____ Licensee Signature _____

SELLER RESPONSE

Seller Acceptance.

Seller accepts the foregoing offer as written and agrees to sell and convey the Property on the terms and conditions herein stated. Seller understands that this is a legally binding contract. Seller herein acknowledges that this agreement has significant legal and financial consequences and that they have been advised to seek independent legal and financial counsel. The Brokers and/or Licensees cannot give legal advice.

Seller: **All Holdings, LLC**

By: [Signature]

Title: _____

Date: 9/21/18

By: _____

Title: _____

Date: _____

Name of Listing Broker's Office: Commercial Real Estate Alaska, LLC

Licensee Signature [Signature] Licensee Signature _____

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CABLE & MCCORMICK APC/DBA

DIAGNOSTIC IMAGING OF ALASKA
4100 LAKE OTIS PKWY., STE. 304
ANCHORAGE, AK 99508
(907) 563-3700



First National Bank
ALASKA
89-6-1252

11501

PAY TO THE
ORDER OF

Commercial Real Estate Alaska

\$ 15,575⁰⁰

DOLLARS

fifteen thousand five hundred seventy five

MEMO

Security Deposit

AUTHORIZED SIGNATURE

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CABLE & MCCORMICK APC/DBA

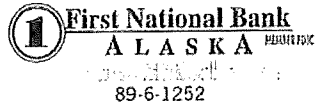
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CABLE & MCCORMICK APC/DBA

11501

CABLE & MCCORMICK APC/DBA

DIAGNOSTIC IMAGING OF ALASKA
4100 LAKE OTIS PKWY., STE. 304
ANCHORAGE, AK 99508
(907) 563-3700



11500

PAY TO THE
ORDER OF

Commercial Real Estate Alaska \$ 5,051⁴⁰
five thousand fifty one

DOLLARS

Security features: Details on back.

MEMO

1st month additional Rent

[Signature]
AUTHORIZED SIGNATURE

⑈011500⑈ ⑆125200060⑆ 0312 431 0⑈

CABLE & MCCORMICK APC/DBA

11500

CABLE & MCCORMICK APC/DBA

11500

CABLE & MCCORMICK APC/DBA

DIAGNOSTIC IMAGING OF ALASKA
4100 LAKE OTIS PKWY., STE. 304
ANCHORAGE, AK 99508
(907) 563-3700



First National Bank
ALASKA MEMBER FDIC
ANCHORAGE, ALASKA
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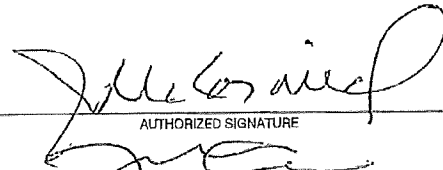
PAY TO THE
ORDER OF

Commercial Real Estate ALASKA \$15,575⁰⁰
fifteen thousand five hundred seventy five ——— DOLLARS

Security features. Details on back.

MEMO

1st month rent


AUTHORIZED SIGNATURE

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