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September 19, 2013

Speaker Mike Chenault
Alaska State Legislature
716 W. 4th Avenue
Anchorage, AK 99501

Dear Speaker Chenault,

I am notifying you that the Legislature, pursuant to AS 36.30.083, and as authorized in a motion passed by Legislative Council during Council's meeting on June 7, 2013, has entered into a 10-year lease extension and amendment with our Lessor, 716 West Fourth Avenue LLC, for the Anchorage Legislative Information Office. The lease extension and amendments will allow for the expansion and renovation of the Anchorage Legislative Information Office into class A space that will better serve the current and future needs of the Legislature, and all Alaskans.

The term of the current lease ends on May 31, 2014. The extension of the lease takes effect on June 1, 2014, and runs through May 31, 2024. Annual rent due under the extended lease does not commence until the Legislature takes final acceptance of the renovated premises, scheduled **DATE OF FINAL ACCEPTANCE**. The monthly rent due under the lease commencing after final acceptance of the premises is **\$281,638**. The minimum rent due under the lease for the first full year of the extended lease is **ANNUAL MINIMUM?**. The total minimum rent due under the lease for the 10-year term is **TEN YEAR MINIMUM?**.

As required by AS 36.30.083(a), the market rental value of the renovated premises, including the parking garage, was appraised by an appraiser, and reviewed by the Alaska Housing Finance Corporation, to establish that the rent due under the lease is 10 percent below the market rental value of the real property as of the effective date of the lease extension on June 1, 2014.

Sincerely,

Mike Hawker, Chairman
Alaska Legislative Council

Comment [DC1]: December 31, 2014

Comment [DC2]: \$3,379,656. Based on the monthly base lease upon final acceptance of the premises from page 3 Section 1.1, 3 C of the lease at \$281,638 per month.

Comment [DC3]: \$33,796,560. Based on \$3,379,656 annual payments for ten year.