

Option Agreement to Lease

Coho Parking Lot - 344 West 3rd Ave, Anchorage, Alaska 99501

This Option Agreement to Lease (“**Agreement**”) is entered into and effective as of June [17], 2022 (the “**Effective Date**”) by and between the Anchorage Community Development Authority (“**ACDA**”) and MASH LP (“**MASH**”) with respect to the “Coho Parking Lot” located at 344 West 3rd Ave, Anchorage, Alaska 99501, Parcel Number 002-104-16-000, and approximately 73,710 square feet in size (the “**Lot**”). ACDA and MASH are individually referred to herein as a “Party” and collectively as the “Parties”.

NOW, THEREFORE, for and in consideration of the mutual covenants, representations, warranties, and agreements contained herein, and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. ACDA agrees to grant an option to lease the Lot to MASH and MASH accepts the option to lease the Lot from ACDA pursuant to the terms of this Agreement.
2. The term of this Agreement shall be for 3 years from the Effective Date (the “**Term**”).
3. MASH shall pay \$1,000 per month in rent (“**Rent**”) to ACDA for each month of the Term. MASH shall pay the Rent on or before the first day of each month (“**Due Date**”) this Agreement is in effect. Upon the Effective Date, MASH shall pay ACDA an amount equal to the pro-rata Rent for the remainder of the month plus the Rent for the following month. Thereafter, Rent shall be paid on the Due Date each month of the Term.
4. During the Term, ACDA shall retain operations of the Lot and be responsible for all expenses related to the Lot. ACDA shall be entitled to all income related the Lot during the Term.
5. MASH shall have an option to enter into a long term, 99-year lease for the Lot prior to the end of the Term (the “**Option**”) subject to the Parties entering into a mutually agreeable long term lease agreement (the “**Long Term Lease**”). If the Option is timely exercised, ACDA agrees to lease the Lot to MASH for the Long Term Rent amounts set forth below.
6. MASH shall provide written notice to ACDA of its intent to exercise the Option no later than 3 months prior to the end of the Term in order for the Parties to negotiate a mutually agreeable Long Term Lease. If the Parties are unable to reach agreement on the Long Term Lease prior to the end of the Term, this Agreement and the Option shall terminate. MASH must exercise the Option under this Agreement prior to commencing construction on the Alaska Market Place. The Parties expressly agree that this Agreement and the Option shall terminate in the event MASH fails to exercise the Option prior to commencing construction on the Alaska Market Place.
7. In the event the Option is timely exercised and the Parties enter into the Long Term Lease, MASH shall pay the following amounts per month in rent (“**Long Term Rent**”) to ACDA for each month of the 99-year term of the Long Term Lease:
 - 1st year through 3rd year – \$3,500.00 a month
 - 4th year through 7th year – \$5,500.00 a month
 - 8th year though 10th year - \$7,000.00 a month
 - 10th year through 99th year - \$8,500.00 a month increased annually 2%.

8. Under the Long-Term Lease, MASH shall be responsible for all expenses related to the use of the Lot, including, without limitation utilities, taxes, maintenance, and repairs. The Long Term Lease shall be treated as a triple net lease.
9. The Long Term Lease shall be subject to approval by ACDA's Board of Directors and the Anchorage Assembly as may be required by law.
10. ACDA shall provide MASH with the right of first refusal in the event ACDA receives a good faith purchase offer on the Lot that it is willing to accept (the "**Purchase Option**"). MASH shall have 10 days from receiving written notice from ACDA of the Purchase Option to provide ACDA with its written intent to purchase the Lot for the same or otherwise equal terms of the purchase offer. Exercise of the Purchase Option must be approved by ACDA Board Of Directors and may be subject to Anchorage Assembly approval as required by law Failure of MASH to timely respond to the Purchase Option notice shall be deemed a rejection by MASH of the Purchase Option and ACDA shall be entitled to sell the Lot without further notice to MASH; provided, however, that this Agreement shall be transferred to and binding upon the purchaser.
11. The Parties agree that all costs incurred by each Party related to negotiating and developing this Agreement and, if applicable, the Long Term Lease shall be borne by each Party.
12. Any notice required or permitted under this Agreement shall be delivered by email, personal delivery or certified mail tracking, addressed to:
MASH LP:
Mark Begich or Sheldon Fisher
MASH LP
445 East 5th Ave, Suite 201
Anchorage, Alaska 99501
ACDA:
Mike Robbins
245 W. 5th Avenue
Anchorage, AK 99501
mrobbins@acda.net
13. ACDA will cooperate with MASH and any third parties in vacating the easement between the Alaska Market Place and the Lot. ACDA will allow reconfiguration, if necessary, of the Lot to meet the development plans of the Alaska Market Place during the Term.
14. In the event MASH fails to make a Rent payment on or before the Due Date and thereafter fails to remedy any such non-payment within 5 days of written notice from ACDA, ACDA shall have the right, in its sole discretion, to terminate this Agreement and the Option by providing written notice to MASH of termination for non-payment and failure to cure.
15. This Agreement shall be governed by and construed with the laws of the State of Alaska.
16. This Agreement may be executed in two counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.
17. This Agreement and the Option shall not be assigned or transferred by MASH without the approval of the Lessor. The Lessor shall not unreasonably withhold approval of transfer.

hereunder.

IN WITNESS WHEREOF, this Agreement is executed by the duly authorized officers of ACDA and MASH.

ACDA

Mike Robbins

Signature

Mike W Robbins, Executive Director

Name, Title

MASH LP

Mark Begich

Signature

Mark Begich Co-Manager

Name, Title

Location:

The image shows a map of downtown Anchorage with a parcel highlighted in cyan. The map includes labels for 'Saturday Market Building', 'Sunshine Plaza', 'Army Navy Store', 'W 3rd Ave', and 'W 4th Ave'. A data popup window is overlaid on the right side of the map, displaying the following information:

ANCHORAGE COMMUNITY DEVELOPMENT AUTHORITY	
Appraisal_Year	2022
Parcel_ID	00210416000
Parcel_ID_URL	More info
Parcel_URL_Description	002-104-16-00
Property_Type	Commercial
Class	Commercial
Land_Use	Parking Misc.
Owner_Name	ANCHORAGE COMMUNITY DEVELOPMENT AUTHORITY
Legal_Description	DOWNTOWN ANCH URB RENEWAL

At the bottom of the popup, there is a 'Zoom to' button and a three-dot menu icon.

Lot Details

Sockeye	Coho	Chinook	City Hall	Denali	3rd & L	Susitna	Glacier
	10th & G	Elderberry Park		Moose	NANA	Wolf	
	<p>Height Restriction: No Restriction</p> <p>Hours of Operation: Open 24 Hours</p> <p>Public Parking Rate: Vehicle: Mon-Fri: \$1.25/hr, Motorcycle: \$0.50/hr, Weekend: \$5/1-3hrs, \$10/4-7hrs</p> <p>Permit Rate: \$75 per month, \$100 per month long term, (Motorcycles: \$75 per month) Apply for a permit online!</p> <p>Other Services: PayByPhone (lot code: 5902), Amenities Program, Space Rental, Validation (Learn about these services and more on the Discounts & Services Page)</p> <p>Address: 344 W 3rd Avenue</p> <p>Security Contact: 907-297-4471 (24/7)</p> <p>Customer Service Contact: 907-276-7275 or info@easyparkalaska.com</p>						