

# SUBLEASE GUIDELINES

SEE CHAPTER 45, TITLE 17 OF THE ALASKA ADMINISTRATIVE CODE (17 AAC 45)

## Definitions from 17 AAC 45.990

**Lessor:**

The State of Alaska, Department of Transportation & Public Facilities acting in the department's capacity as grantor of a lease on airport property.

**Lessee:**

A person legally competent to enter into contracts and who enters into a lease with the Lessor.

**Lease (called Prime Lease in these Guidelines):**

The written agreement that creates a relationship between the Lessor, as landlord, and the Lessee, as tenant, that grants to the Lessee the possession of airport land or building space for a determined period of time.

**Sublessor:**

A person who leases, rents, or otherwise provides occupancy rights to a sublessee under a sublease.

**Sublessee:**

A person who leases, rents, or otherwise receives occupancy rights from a sublessor under a sublease.

**Sublease:**

A transaction or agreement under which a Lessee leases, rents, or otherwise grants occupancy rights to all or a portion of a premises or improvements on a premises (includes a sub-sublease but does not include the assignment of a lease or concession).

A request for consent to Sublease must be submitted in writing. A Sublessee may not occupy the premises before the department consents to the Sublease in writing.

## **HOW TO APPLY FOR A SUBLEASE:**

Mail the following items to the applicable regional office of Statewide Aviation Leasing below:

- a) A non-refundable processing fee of \$75, payable to the State of Alaska.
- b) An original signed and notarized copy of the Sublease agreement. The Sublease agreement must contain the following:
  - i) The name, address, telephone and email (if available) of the Sublessee and the Sublessor. The Sublease should name DOT&PF as the Lessor, the Prime Lease holder as the Lessee and the Lessee's tenant as the Sublessee.

- ii) The name, address, telephone, fax and email (if available) of at least one emergency contact person for each party, one of which needs to be located at or near the airport where the Sublease is located.
- iii) A description of the property to be subleased and an attached exhibit showing a drawing of the specific area being subleased (whether a portion of a building, land, or any combination thereof).  
For example: "3,500 sq feet of Lot 1, Block 1, as shown on Exhibit A attached."
- iv) A description of any area of land or building that is used in common with the Lessee or other Sublessees. The Sublease must describe these common areas clearly and the exhibit must clearly mark these areas as Common Use Areas.
- v) A description of the proposed Sublessee's intended use of the premises. Authorized uses must be specific and cannot authorize more than the Prime Lease. If food, beverage, liquor, merchandise or hotel/lodging sales will occur, the Prime Lease must contain Concession language or a sublease for these purposes will not receive DOT&PF's consent. If the Prime Lease does not contain Concession language, contact the applicable regional office of Statewide Aviation Leasing to apply to modify your Prime Lease to include this language.
- vi) The beginning and expiration date of the Sublease. A sublease expiration date cannot extend past the expiration date of the Prime Lease. All renewals or extensions of subleases must be submitted for review and approval and shall be treated the same as an application for a new sublease.
- vii) A statement of the proposed Sublease rent to be paid per month of occupancy.
- viii) A guarantee of indemnification by the Sublessee under which the Sublessee provides to the State the same level of indemnity that the Sublessee would provide to the State if the Sublessee were a direct Lessee under the Prime Lease.
- ix) If required by the Prime Lease, a statement identifying the party(s) (Lessee or Sublessee) responsible for providing the State with proof of insurance coverage. Depending upon the subleased area, all parties (State, Lessee and Sublessee) may be required to be named as co-insured. Unless a sublease is for the entire premises, including all facilities maintenance, both the Lessee and the Sublessee will be required to maintain the insurance required by the Lease, with both naming the State of Alaska as additional insured.
- x) A statement acknowledging that the Prime Lease governs over the Sublease and that the Sublessee agrees to abide by all provisions and covenants of the Prime Lease.  
For example: "*Mars Airlines Inc, Lessee, and John Doe dba Jupiter Air, Sublessee, enter into this Sublease dated 1/1/2012. This Sublease is subject to all requirements and conditions of the Lessee's Prime Lease, ADA-12345, with the State of Alaska, DOT&PF, Lessor. The Sublessee agrees to abide by all provisions and covenants of the Prime Lease.*"
- xi) A statement acknowledging that Sublessees are prohibited from sub-subleasing without the prior written consent of both the Lessee and the Lessor. Further, a Sublessee may not assign or hypothecate a subleasehold.

- xii) A provision that no improvements, grading, fill or construction may take place until the Sublessee and Lessee have obtained the Lessor's approval.
  - xiii) If either party is a corporation, the corporate seal must be applied to the Sublease, or a corporate resolution submitted. Also a copy of the Certificate of Incorporation must be submitted. If either party is another type of organization (e.g. LLC, LLP) copies of the Certificate of Organization, Articles of Organization and Operating Agreement (if applicable) must be submitted.
- c) *If* proof of insurance is required under the Prime Lease, a binder or certificate of insurance covering the operations and activities of the Sublessee to the same extent that the Sublessee would be required to maintain insurance if the Sublessee were a direct Lessee under the Prime Lease.

**SUBLEASE PROCESSING BY THE STATE – SEE 17AAC45.275 (c) & (d):**

The department will approve or deny a sublease request in writing. If the department denies the request, the department will state the reasons for the denial in writing. The department will make a determination on a request for consent to sublease within 60 days after the sublessor has submitted a *complete* request.

An applicant may protest a denial of a sublease in accordance with 17 AAC 45.910.

**MAILING ADDRESSES FOR STATEWIDE AVIATION LEASING:**

NORTHERN REGION:  
2301 Peger Road  
Fairbanks AK 99709-5399

CENTRAL REGION:  
PO Box 196900  
Anchorage AK 99519-6900

SOUTHCOAST REGION:  
PO Box 112505  
Juneau AK 99811-2505

Ph: (907) 451-2216

Ph: (907) 269-0740

Ph: (907) 465-6893