

Sara Peterson

From: Jeremy Serka <jserka@outlook.com>
Sent: Monday, December 8, 2025 6:05 PM
To: Garry White; 'Scott Wagner'
Subject: revised lease language

Hi Gary and Scott,

The previous terms of the lease as specified in section 1.1 were too restrictive in nature to allow for any future investment or development into our boat repair operations. The terms state, " This lease is for the sole purpose of providing non-obstructed access to future boathouses for marine services provided by the tenant on Lot 5. Any other use of the leased property shall be deemed a material breach of this lease, unless mutually agreed to in writing by both parties in an amendment to this agreement or superseding lease." page 1, Draft lease agreement Between City and Borough of Sitka and Pacific Jewel Marine, LLC.

We intend to use lot 9b for our boat building and repair business, and we hope to have lease terms that would provide the security to invest in these endeavors. Lot 9b will be used to support our operations by providing access to our surrounding property and parking and storing our own equipment and materials.

Since we are offering to pay the going rate for the leased city property we ask that the payment of the leased property shall commence upon the signing of a vessel movement plan between the city and PJM or some other assurance that the city will not limit the affordability of investing in this type of operation due to undue regulations that are inconsistent with existing industrial parks and boatyards.

We believe our proposal still falls under the same criteria for a non-competitive lease for the following reasons;

The property boundaries of lot 9b, the nature of the lot and its uses, and impediments to current businesses and promotion of Sitka base jobs. Lot 9b is a very small lot that borders our property on two sides and the city streets on the other two corners. Any other renter of the property would need to leave a buffer between our property and there's thus further limiting the usefulness of the space. Alternatively, PJM can fully utilize the space due to our adjacent location. Potential renters of lot 9b , other than ourselves, have the potential to create property boundary infringements that may become a burden for both the city and us. These are but two possible reasons for the noncompetitive lease arrangement.

Thank you for working with us to ensure that we have a mutually beneficial lease agreement. If some of this language does not work for the board or the city please let us know and we will do our best to address your concerns.

Sincerely,

Jeremy Serka Owner

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